

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

GREEN OAK CHARTER TOWNSHIP

ANNUAL FINANCIAL REPORT

FOR THE NINE MONTHS ENDED MARCH 31, 2006

GREEN OAK CHARTER TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Mark St. Charles

Clerk - Michael Sedlak

Treasurer - Susan Daugherty

BOARD OF TRUSTEES

Susan Daugherty

Rollin Green

George Kilpatrick

William Palmer

Michael Sedlak

Mark St. Charles

Frederick Seymour

TOWNSHIP ATTORNEY

Connelly, Crowley, Groth & Seglund

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

TABLE OF CONTENTS

	PAGE NUMBER
INDEPENDENT AUDITORS' REPORT	
MANAGEMENT DISCUSSION AND ANALYSIS	10
BASIC FINANCIAL STATEMENTS	
GOVERNMENTAL-WIDE FINANCIAL STATEMENTS	
Statement of Net Assets	18
Statement of Activities	19
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	21
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	23
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Assets - Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	26
Statement of Cash Flows - Proprietary Funds	27
Statement of Assets and Liabilities - Fiduciary Funds	28
NOTES TO FINANCIAL STATEMENTS	30
REQUIRED SUPPLEMENTARY INFORMATION	
GENERAL FUND	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	51
SPECIAL POLICE FUND	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	52
FIRE FUND	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	53
SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)	54

TABLE OF CONTENTS

PAGE NUMBER

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

All Special Revenue Funds - Combining Balance Sheet	57
All Debt Service Funds - Combining Balance Sheet	59
All Capital Projects Funds - Combining Balance Sheet	60
All Enterprise Funds -Combining Balance Sheet	61
All Fiduciary Funds - Combining Balance Sheet	62
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	63
All Debt Service Funds - Combining Statement of Revenues Expenditures and Changes in Fund Balances	65
All Capital Projects Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66
All Enterprise Funds - Combining Statement of Revenues, Expenses and Changes in Retained Earnings	67
All Enterprise Funds - Combining Statement of Cash Flows	68

INDIVIDUAL FUNDS

GENERAL FUND

Balance Sheet	71
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	72
Statement of Revenues - Budget and Actual	73
Statement of Expenditures - Budget and Actual	74

BUILDING DEPARTMENT FUND

Balance Sheet	83
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	84

CEMETERY PERPETUAL CARE FUND

Balance Sheet	86
Statement of Revenues, Expenditures and Changes in Fund Balance	87

FIRE FUND

Balance Sheet	89
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
Statement of Expenditures - Budget and Actual	91

TABLE OF CONTENTS

	PAGE NUMBER
SPECIAL FIRE CAPITAL FUND	
Statement of Revenues, Expenditures and Changes in Fund Balance	93
FIRE CAPITAL VEHICLE AND EQUIPMENT FUND	
Balance Sheet	95
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	96
SPECIAL POLICE FUND	
Balance Sheet	98
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	99
Statement of Expenditures - Budget and Actual	100
POLICE DEPARTMENT CAPITAL VEHICLE AND EQUIPMENT FUND	
Balance Sheet	102
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	103
POLICE SPECIAL INVESTIGATION FUND	
Balance Sheet	105
Statement of Revenues, Expenditures and Changes in Fund Balance	106
POLICE RETIREE HEALTH CARE FUND	
Balance Sheet	108
Statement of Revenues, Expenditures and Changes in Fund Balance	109
BUDGET STABILIZATION FUND	
Balance Sheet	111
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	112
STORM WATER FUND	
Balance Sheet	114
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	115
ROAD IMPROVEMENT FUND	
Balance Sheet	117
Statement of Revenues, Expenditures and Changes in Fund Balance	118

TABLE OF CONTENTS

	PAGE NUMBER
LAND DEVELOPMENT FUND	
Balance Sheet	120
Statement of Revenues, Expenditures and Changes in Fund Balance	121
CENTENNIAL FARMS ARSENIC IMPROVEMENT FUND	
Balance Sheet	123
Statement of Revenues, Expenditures and Changes in Fund Balance	124
RIVERSIDE DRIVE - ROAD MAINTENANCE FUND	
Balance Sheet	126
Statement of Revenues, Expenditures and Changes in Fund Balance	127
STREET LIGHT FUND	
Balance Sheet	129
Statement of Revenues, Expenditures and Changes in Fund Balance	130
Budget and Actual	
METRO ACT FUND	
Balance Sheet	132
Statement of Revenues, Expenditures and Changes in Fund Balance	133
Budget and Actual	
DAVIS CREEK DREDGING FUND	
Balance Sheet	135
Statement of Revenues, Expenditures and Changes in Fund Balance	136
VIKING LANE DEBT SERVICE FUND	
Balance Sheet	138
Statement of Revenues, Expenditures and Changes in Fund Balance	139
Budget and Actual	
PHEASANT LAKE DEBT SERVICE FUND	
Balance Sheet	141
Statement of Revenues, Expenditures and Changes in Fund Balance	142
Budget and Actual	
BUILDING AUTHORITY DEBT SERVICE FUND	
Balance Sheet	144
Statement of Revenues, Expenditures and Changes in Fund Balance -	145
Budget and Actual	

TABLE OF CONTENTS

	PAGE NUMBER
SAXONY - WILLMOR PAVING DEBT SERVICE FUND	
Balance Sheet	147
Statement of Revenues, Expenditures and Changes in Fund Balance	148
SEWER IMPROVEMENT CAPITAL PROJECTS FUND	
Balance Sheet	150
Statement of Revenues, Expenditures and Changes in Fund Balance	151
CENTENNIAL FARMS CAPITAL PROJECTS FUND	
Balance Sheet	153
Statement of Revenues, Expenditures and Changes in Fund Balance	154
WATER SYSTEM CAPITAL PROJECTS FUND	
Balance Sheet	156
Statement of Revenues, Expenditures and Changes in Fund Balance	157
SAXONY - WILLMOR PAVING CAPITAL PROJECTS FUND	
Balance Sheet	159
Statement of Revenues, Expenditures and Changes in Fund Balance	160
SAXONY WATER FUND	
Balance Sheet	162
Statement of Revenues, Expenses and Changes in Retained Earnings	163
Statement of Cash Flows	164
CENTENNIAL FARMS FUND	
Balance Sheet	166
Statement of Revenues, Expenses and Changes in Retained Earnings	167
Statement of Cash Flows	168
REICK'S FARMS FUND	
Balance Sheet	170
Statement of Revenues, Expenses and Changes in Retained Earnings	171
Statement of Cash Flows	172
SEWER FUND	
Balance Sheet	174
Statement of Revenues, Expenses and Changes in Retained Earnings	175
Statement of Cash Flows	176
CURRENT TAX COLLECTION FUND	
Balance Sheet	178
TRUST AND AGENCY FUND	
Balance Sheet	180



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July 24, 2006

Board of Trustees
Green Oak Charter Township
10001 Silver Lake Road
Brighton, Michigan 48116

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Green Oak Charter Township, as of and for the nine months ended March 31, 2006, which collectively comprise the Green Oak Charter Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Green Oak Charter Township's management. Our responsibility is to express opinions on these financials statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Green Oak Charter Township, as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the nine months then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other required Supplementary Information on pages 10 through 15 and 51 through 54 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Green Oak Charter Township's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis March 31, 2006

Within this section of Green Oak Charter Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal period ended March 31, 2006. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal period. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing, and from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of available resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and statements for individual fund activity are presented in a subsequent section of this report.

The Township as a Whole - Government-Wide Financial Analysis

The Township has elected to become a Charter Township and has changed its fiscal period to end on March 31st as opposed to June 30th as previously reported. Thus, the period covered in these financial statements included only the nine months ended March 31, 2006. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

The following tables provide a summary of the Township's government-wide financial activities and changes in net assets:

Summary of Net Assets

	Governmental Activities	Business Type Activities	Total
	3/31/2006	3/31/2006	3/31/2006
Current and other assets	\$ 14,603,149	\$ 26,557,693	\$ 41,160,842
Capital assets	5,025,465	24,692,353	29,717,818
Total assets	19,628,614	51,250,046	70,878,660
Other liabilities	500,502	218,305	718,807
Long-term liabilities	10,469,594	23,305,000	33,774,594
Total liabilities	10,970,096	23,523,305	34,493,401
Net assets:			
Invested in capital assets, net of related debt	2,664,300	1,387,353	4,051,653
Unrestricted	5,994,218	26,339,388	32,333,606
Total net assets	\$ 8,658,518	\$ 27,726,741	\$ 36,385,259

Summary of Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
	<u>3/31/2006</u>	<u>3/31/2006</u>	<u>3/31/2006</u>
Revenues:			
Program revenues			
Charges for services	\$ 1,049,241	\$ 196,915	\$ 1,246,156
Operating contributions	811,988		811,988
Capital contributions	2,460	32,913	35,373
General revenues			
State shared revenues	714,435		714,435
Property taxes	3,327,229		3,327,229
Interest income	443,478	1,281,313	1,724,791
Other	(33,754)	74,268	40,514
Total revenues	<u>6,315,077</u>	<u>1,585,409</u>	<u>7,900,486</u>
Expenses			
General government	1,646,361		1,646,361
Public safety	1,841,719		1,841,719
Parks and recreation	90,711		90,711
Public works	164,963		164,963
Interest on long-term debt	334,433		334,433
Water system		168,024	168,024
Sewer system		866,882	866,882
Total expenses	<u>4,078,187</u>	<u>1,034,906</u>	<u>5,113,093</u>
Increase	2,236,890	550,503	2,787,393
Beginning net assets	<u>6,421,628</u>	<u>27,176,238</u>	<u>33,597,866</u>
Ending net assets	<u>\$ 8,658,518</u>	<u>\$ 27,726,741</u>	<u>\$ 36,385,259</u>

The overall financial status of the governmental funds improved by an increase of net assets of \$2,787,393 for the nine months ended March 31, 2006. The substantial increase in net assets can be attributed in part to the short reporting period. Only nine months of expenses are present, but a full year of property taxes are reported.

Financial Analysis of the Township's Funds

The Township has determined it had 4 major governmental funds for the nine months ended March 31, 2006. These funds included the General Fund, Fire Fund, Special Police Fund, and the Water System Capital Projects Fund. All of these funds increased their respective fund balances for the year largely due to having nine months of expenditures and a full year's worth of property taxes levied.

The Water System Capital Projects Fund, which had sold bonds in the previous fiscal year began collecting its assessments and receiving connection fees to repay the bonds sold. Revenues exceeded expenditures by \$ 527,736 in the current fiscal year. This disparity is expected to change as the interest collected on the assessment decreases annually.

The Township's sole proprietary fund, the Sewer Fund, had a net income of \$688,370 for the nine months ended March 31, 2006. This is primarily due to the \$1,951,015 of special assessments levied and only \$498,660 of debt service spent.

General Fund Budgetary Highlights

The General Fund's budget was adopted prior the start of the fiscal period ended March 31, 2006. However, several amendments were made during the year to bring it closer to economic reality and account for the period only covering nine months. The General Fund exceeded budgeted appropriations in the Township Board functional activity.

Capital Asset and Debt Administration

Governmental fund capital asset acquisitions totaled \$78,945 primarily for fire equipment. The only assets disposed of during the period was a fire rescue unit and a skid unit used by the fire department.

The Township's governmental funds paid \$189,238 of principal on the outstanding debt of the Township. The balance at March 31, 2006 was \$10,469,594 with the largest portion being related to the Township's participation in the Livingston Community Water Authority. The Township issued \$ 810,000 of special assessment bonds during the nine months ended March 31, 2006 to fund the roadwork at Saxony and Willmor districts.

The business-type funds had \$1,210,445 of capital acquisitions during the year as continued expansion of the Township's new sewage treatment system continues.

No new debt or principal paid on the debt was done by the proprietary funds of the Township. Total long-term debt of the proprietary funds of the Township was \$23,305,000 at March 31, 2006.

Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment. State shared revenues represent a significant portion of the governmental fund revenues and its volatile nature makes it difficult to estimate the impact on the Township's budget.

The Township is continuing construction of its sewer system for Tri-Lakes residents, and anticipates significant expenditures in the next year

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Green Oak Charter Township at 10001 Silver Lake Road, Brighton, MI 48116.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL
STATEMENTS

GREEN OAK CHARTER TOWNSHIP
STATEMENT OF NET ASSETS
MARCH 31, 2006

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-</u>	
<u>ASSETS</u>	<u>Activities</u>	<u>type</u>	<u>Total</u>
		<u>Activities</u>	
ASSETS			
Cash and cash equivalents	\$ 7,210,923	\$ 907,506	\$ 8,118,429
Cash and cash equivalents - restricted		4,151,228	4,151,228
Receivable			
Taxes	269,660		269,660
Special assessments	6,709,947	20,734,348	27,444,295
State shared revenues	175,179		175,179
Accounts	75,842	673,378	749,220
Intergovernmental	77,335		77,335
Prepaid expenses	84,263		84,263
Bond issuance costs - net of amortization		91,233	91,233
Capital assets - net of depreciation	<u>5,025,465</u>	<u>24,692,353</u>	<u>29,717,818</u>
Total assets	<u>19,628,614</u>	<u>51,250,046</u>	<u>70,878,660</u>
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	121,641	2,791	124,432
Accrued interest payable	140,976	208,458	349,434
Accrued wages, vacation and sick pay	237,885		237,885
Intergovernmental payable		7,056	7,056
Capital lease payable			
Current	176,559		176,559
Non-current	379,606		379,606
Contracts payable			
Current	19,238		19,238
Non-current	96,191		96,191
Bonds payable			
Current	363,000	959,700	1,322,700
Non - current	<u>9,435,000</u>	<u>22,345,300</u>	<u>31,780,300</u>
Total liabilities	<u>10,970,096</u>	<u>23,523,305</u>	<u>34,493,401</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	2,664,300	1,387,353	4,051,653
Unrestricted	<u>5,994,218</u>	<u>26,339,388</u>	<u>32,333,606</u>
Total net assets	<u>\$ 8,658,518</u>	<u>\$ 27,726,741</u>	<u>\$ 36,385,259</u>

The notes of the financial statements are an integral part of this statement

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

GREEN OAK CHARTER TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE NINE MONTHS ENDED MARCH 31, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities				
General government	\$ (1,646,361)	\$ 832,654	\$	\$
Fire protection	(728,122)	12,616	100	2,460
Police protection	(1,113,597)	40,887		
Parks and recreation	(90,711)			
Public works	(164,963)	163,084	811,888	
Interest on long-term debt	(334,433)			
Total governmental activities	<u>(4,078,187)</u>	<u>1,049,241</u>	<u>811,988</u>	<u>2,460</u>
Business-type activities				
Water	(168,024)	35,521		
Sewer	(866,882)	161,394		32,913
Total business-type activities	<u>(1,034,906)</u>	<u>196,915</u>		<u>32,913</u>
Total	<u>\$ (5,113,093)</u>	<u>\$ 1,246,156</u>	<u>\$ 811,988</u>	<u>\$ 35,373</u>

General revenues
Property taxes
Cable franchise fees
State shared revenues
Interest income - cash and equivalents
Interest income - assessments
Other income
Loss on disposal assets
Transfers in (out)

Total general revenues

Changes in net assets

Net assets, July 1, 2005

Net assets, March 31, 2006

The notes of the financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes Net Assets		
Governmental Activities	Business- type Activities	Total
\$ (813,707)	\$	\$ (813,707)
(712,946)		(712,946)
(1,072,710)		(1,072,710)
(90,711)		(90,711)
810,009		810,009
<u>(334,433)</u>		<u>(334,433)</u>
<u>(2,214,498)</u>		<u>(2,214,498)</u>
	(132,503)	(132,503)
	<u>(672,575)</u>	<u>(672,575)</u>
	(805,078)	(805,078)
<u>(2,214,498)</u>	<u>(805,078)</u>	<u>(3,019,576)</u>
3,327,229		3,327,229
70,438		70,438
714,435		714,435
106,609	74,450	181,059
336,869	1,206,863	1,543,732
7,465	50	7,515
(29,780)	(7,659)	(37,439)
<u>(81,877)</u>	<u>81,877</u>	
<u>4,451,388</u>	<u>1,355,581</u>	<u>5,806,969</u>
2,236,890	550,503	2,787,393
<u>6,421,628</u>	<u>27,176,238</u>	<u>33,597,866</u>
<u>\$ 8,658,518</u>	<u>\$ 27,726,741</u>	<u>\$ 36,385,259</u>

FUND
FINANCIAL
STATEMENTS

GREEN OAK CHARTER TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2006

	<u>General</u>	<u>Fire</u>	<u>Special Police</u>	<u>Water System Capital Projects</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,273,410	\$ 648,715	\$ 598,763	\$ 1,335,027
Receivables				
Special assessments				5,909,770
Taxes	69,374	94,172	106,114	
State shared revenues	175,179			
Accounts	34,293			
Due from other funds	146,602	2,137	2,278	
Prepaid expenditures	<u>31,327</u>	<u>11,260</u>	<u>25,890</u>	
Total assets	<u>\$ 1,730,185</u>	<u>\$ 756,284</u>	<u>\$ 733,045</u>	<u>\$ 7,244,797</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 48,686	\$ 5,274	\$ 21,079	\$
Accrued wages, vacation and sick pay	39,360	39,367	146,886	
Due to others				
Due to other funds	12,976	390	203	2,813
Deferred revenues				<u>5,717,444</u>
Total liabilities	<u>101,022</u>	<u>45,031</u>	<u>168,168</u>	<u>5,720,257</u>
FUND BALANCE				
Unreserved	1,629,163			
Reserved for public safety		711,253	564,877	
Reserved for public works				1,524,540
Reserved for debt service				
Total fund balances	<u>1,629,163</u>	<u>711,253</u>	<u>564,877</u>	<u>1,524,540</u>
Total liabilities and fund balances	<u>\$ 1,730,185</u>	<u>\$ 756,284</u>	<u>\$ 733,045</u>	<u>\$ 7,244,797</u>

The notes of the financial statements are an integral part of this statement.

Other Non-major Funds	Total
\$ 3,355,008	\$ 7,210,923
800,177	6,709,947
	269,660
	175,179
41,549	75,842
780,343	931,360
<u>15,786</u>	<u>84,263</u>
<u>\$ 4,992,863</u>	<u>\$ 15,457,174</u>

\$ 6,365	\$ 81,404
12,272	237,885
40,237	40,237
837,643	854,025
<u>784,428</u>	<u>6,501,872</u>
<u>1,680,945</u>	<u>7,715,423</u>

867,402	2,496,565
951,071	2,227,201
1,319,535	2,844,075
<u>173,910</u>	<u>173,910</u>
<u>3,311,918</u>	<u>7,741,751</u>
<u>\$ 4,992,863</u>	<u>\$ 15,457,174</u>

GREEN OAK CHARTER TOWNSHIP
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
MARCH 31, 2006

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balance per balance sheet	\$ 7,741,751
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. This activity consists of:

Historical cost	\$ 7,118,802
Depreciation	<u>(2,093,337)</u>

Capital assets net of depreciation	5,025,465
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:

Capital lease payable	(556,165)
Contracts payable	(115,429)
Bonds payable	(9,798,000)
Accrued interest on contracts and bonds	<u>(140,976)</u>

Total	(10,610,570)
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Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed in fund financial statements.

	<u>6,501,872</u>
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Net assets of governmental activities	<u>\$ 8,658,518</u>
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The notes of the financial statements are an integral part of this statement.

GREEN OAK CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>General</u>	<u>Fire</u>	<u>Special Police</u>
REVENUES			
Taxes	\$ 794,648	\$ 1,225,537	\$ 1,307,044
Special assessments			
State shared revenues	714,435		
Grant - federal		2,460	
Grant - state	1,888		
Rental income			
Cable franchise fees	70,438		
Donations		100	
Sale of assets			
Charges for services/reimbursements	468,903	12,616	40,887
Interest	31,898	8,413	1,973
Miscellaneous	<u>6,555</u>	<u> </u>	<u>910</u>
Total revenues	<u>2,088,765</u>	<u>1,249,126</u>	<u>1,350,814</u>
EXPENDITURES			
General government	1,425,159		
Fire protection		580,195	
Police protection			1,080,446
Parks and recreation	71,776		
Public works	91,054		
Debt service	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>1,587,989</u>	<u>580,195</u>	<u>1,080,446</u>
Excess of revenues over (under) expenditures	<u>500,776</u>	<u>668,931</u>	<u>270,368</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds			
Transfers in			200,000
Transfers (out)	<u>(234,078)</u>	<u>(439,109)</u>	<u>(12,000)</u>
Total other financing sources (uses)	<u>(234,078)</u>	<u>(439,109)</u>	<u>188,000</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	266,698	229,822	458,368
FUND BALANCE, JULY 1, 2005	<u>1,362,465</u>	<u>481,431</u>	<u>106,509</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 1,629,163</u>	<u>\$ 711,253</u>	<u>\$ 564,877</u>

The notes of the financial statements are an integral part of this statement.

Water System Capital Projects	Non-major Governmental Funds	Total
\$	\$	\$
693,426	143,558	3,327,229
		836,984
		714,435
		2,460
		1,888
	179,231	179,231
		70,438
		100
	22,025	22,025
70,062	440,157	1,032,625
17,444	46,881	106,609
		7,465
<u>780,932</u>	<u>831,852</u>	<u>6,301,489</u>
	366,157	1,791,316
	89,327	669,522
	3,532	1,083,978
		71,776
11,606	86,805	189,465
<u>241,590</u>	<u>201,289</u>	<u>442,879</u>
<u>253,196</u>	<u>747,110</u>	<u>4,248,936</u>
<u>527,736</u>	<u>84,742</u>	<u>2,052,553</u>
	810,000	810,000
	488,654	688,654
	(85,344)	(770,531)
	<u>1,213,310</u>	<u>728,123</u>
527,736	1,298,052	2,780,676
<u>996,804</u>	<u>2,013,866</u>	<u>4,961,075</u>
<u>\$ 1,524,540</u>	<u>\$ 3,311,918</u>	<u>\$ 7,741,751</u>

GREEN OAK CHARTER TOWNSHIP
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE NINE MONTHS ENDED MARCH 31, 2006

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 2,780,676
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which depreciation exceeded capital outlays is as follows:

Capital outlay	\$ 78,945	
Depreciation expense	<u>(230,900)</u>	
Total		(151,955)

The Statement of Activities reports a loss on the sale/disposal of capital assets based on the proceeds received and the net book value of the assets at the time of sale. The loss on disposal is calculated as follows:

Historical cost of asset disposed	(66,705)	
Accumulated depreciation of assets disposed	<u>25,425</u>	
Total		(41,280)

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of:		
Bonds payable	19,238	
Contracts payable	<u>170,000</u>	
Total		189,238

Bond proceeds are other financing sources in the governmental funds, but are considered to be long-term liabilities in the Statement of Net Assets	(810,000)
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Interest is accrued for the governmental fund long-term debt for the Statement of Activities:

Accrued interest at March 31, 2006	(140,976)	
Accrued interest at July 1, 2005	<u>84,686</u>	
Total		(56,290)

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied on the Statement of Activities, only the interest portion of the assessments are included in the fiscal period's income.

Principal collected on assessments	(483,499)	
Special assessments levied during the year	<u>810,000</u>	
Total		<u>326,501</u>

Change in net assets of governmental activities	<u>\$ 2,236,890</u>
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The notes of the financial statements are an integral part of this statement.

GREEN OAK CHARTER TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2006

	<u>Sewer</u>	<u>Non-major Proprietary Funds</u>	<u>Total</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 869,866	\$ 37,640	\$ 907,506
Accounts receivable	69,003	1,658	70,661
Due from county	602,717		602,717
Due from other funds	20,945		20,945
Total current assets	<u>1,562,531</u>	<u>39,298</u>	<u>1,601,829</u>
RESTRICTED ASSETS			
Cash and cash equivalents	4,151,228		4,151,228
Special assessments	20,734,348		20,734,348
Total restricted assets	<u>24,885,576</u>		<u>24,885,576</u>
CAPITAL ASSETS			
Land	2,770,301	123,000	2,893,301
Sewer systems	10,489,179		10,489,179
Construction in progress	12,540,767		12,540,767
	25,800,247	123,000	25,923,247
Less accumulated depreciation	(1,230,894)		(1,230,894)
Capital assets, net	<u>24,569,353</u>	<u>123,000</u>	<u>24,692,353</u>
OTHER ASSETS			
Bond issuance costs, net	91,233		91,233
Total assets	<u>51,108,693</u>	<u>162,298</u>	<u>51,270,991</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Accounts payable	\$	\$ 2,791	\$ 2,791
Due to other funds	2,328	25,673	28,001
Total liabilities	<u>2,328</u>	<u>28,464</u>	<u>30,792</u>
CURRENT LIABILITIES (FROM RESTRICTED ASSETS)			
Accrued interest payable	208,458		208,458
Bonds payable, current portion	959,700		959,700
Total current liabilities (from restricted assets)	<u>1,168,158</u>		<u>1,168,158</u>
LONG-TERM LIABILITIES (FROM RESTRICTED ASSETS)			
Bonds payable	22,345,300		22,345,300
Total liabilities	<u>23,515,786</u>	<u>28,464</u>	<u>23,544,250</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested capital assets, net of related debt	1,264,353	123,000	1,387,353
Unrestricted	26,328,554	10,834	26,339,388
Total net assets	<u>\$ 27,592,907</u>	<u>\$ 133,834</u>	<u>\$ 27,726,741</u>

The notes of the financial statements are an integral part of this statement.

GREEN OAK CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Sewer</u>	<u>Non-major Proprietary Funds</u>	<u>Total</u>
OPERATING REVENUES			
User charges	\$ 161,394	\$ 35,521	\$ 196,915
OPERATING EXPENSES			
Authority contributions		128,897	128,897
Operating supplies	6,142	5,326	11,468
Contracted service, repairs and maintenance	42,753	28,375	71,128
Miscellaneous	324	6	330
Utilities/telephone	4,915	5,420	10,335
Depreciation/amortization	<u>189,013</u>		<u>189,013</u>
Total operating expenses	<u>243,147</u>	<u>168,024</u>	<u>411,171</u>
Operating (loss)	<u>(81,753)</u>	<u>(132,503)</u>	<u>(214,256)</u>
NON-OPERATING REVENUES (EXPENSES)			
Other income		50	50
Interest income - operating		2,245	2,245
Interest income - construction	72,205		72,205
Interest income - assessments	1,206,863		1,206,863
Loss on disposal of assets		(7,659)	(7,659)
Interest expense - bonds	<u>(623,735)</u>		<u>(623,735)</u>
Total non-operating revenues (expenses)	<u>655,333</u>	<u>(5,364)</u>	<u>649,969</u>
Net income (loss) before capital contributions	573,580	(137,867)	435,713
CAPITAL CONTRIBUTIONS	32,913		32,913
TRANSFERS IN	<u>81,877</u>		<u>81,877</u>
Net income (loss)	688,370	(137,867)	550,503
NET ASSETS, JULY 1, 2005	<u>26,904,537</u>	<u>271,701</u>	<u>27,176,238</u>
NET ASSETS, MARCH 31, 2006	<u>\$ 27,592,907</u>	<u>\$ 133,834</u>	<u>\$ 27,726,741</u>

The notes of the financial statements are an integral part of this statement.

GREEN OAK CHARTER TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Sewer</u>	<u>Non-major Proprietary Funds</u>	<u>Total</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Cash received from users	\$ 144,332	\$ 35,961	\$ 180,293
Cash payments to suppliers	(55,395)	(157,879)	(213,274)
Cash received or (paid) to other funds	<u>81,061</u>	<u>2,422</u>	<u>83,483</u>
Net cash from (used in) operating activities	<u>169,998</u>	<u>(119,496)</u>	<u>50,502</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES			
Asset disposal costs			
Acquisition of assets	(1,208,225)		(1,208,225)
Connection fees received	104,114		104,114
Special assessment collections	744,152		744,152
Interest received from assessments	1,206,863		1,206,863
Interest paid on bonds	<u>(498,660)</u>		<u>(498,660)</u>
Net cash from (used in) capital and related financing activities	<u>348,244</u>		<u>348,244</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash	<u>72,205</u>	<u>2,245</u>	<u>74,450</u>
Net increase (decrease) in cash equivalents	590,447	(117,251)	473,196
CASH AND CASH EQUIVALENTS AT BEGINNING OF FISCAL PERIOD	<u>4,430,647</u>	<u>154,891</u>	<u>4,585,538</u>
CASH AND CASH EQUIVALENTS AT END OF FISCAL PERIOD	<u>\$ 5,021,094</u>	<u>\$ 37,640</u>	<u>\$ 5,058,734</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (81,753)	\$ (132,503)	\$ (214,256)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Other income		50	50
Transfers from other funds	81,877		81,877
Depreciation/amortization expense	189,013		189,013
Change in assets and liabilities:			
Receivables, net	(20,206)	440	(19,766)
Accounts and other payables	<u>1,067</u>	<u>12,517</u>	<u>13,584</u>
Net cash provided by (used in) operating activities	<u>\$ 169,998</u>	<u>\$ (119,496)</u>	<u>\$ 50,502</u>

The notes to the financial statements are an integral part of this statement.

GREEN OAK CHARTER TOWNSHIP
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
MARCH 31, 2006

	<u>AGENCY FUNDS</u>		
	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 97,676	\$ 246,825	\$ 344,501
Due from others	7,519	55,039	62,558
Due From other funds		17,069	17,069
Total assets	<u>\$ 105,195</u>	<u>\$ 318,933</u>	<u>\$ 424,128</u>
 <u>LIABILITIES</u>			
LIABILITIES			
Due to others	\$ 19,968	\$ 316,812	\$ 336,780
Due to other funds	85,227	2,121	87,348
Total liabilities	<u>\$ 105,195</u>	<u>\$ 318,933</u>	<u>\$ 424,128</u>

The notes to the financial statements are an integral part of this statement.

NOTES
TO
FINANCIAL
STATEMENTS

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for all the activity associated with operating the fire protection services. This fund is primarily supported through the collection of property taxes.

The Special Police Fund accounts for all the activity associated with operating the police protection services. This fund is primarily supported through the collection of property taxes.

The Water System Capital Projects Fund accounts for the activity associated with the construction and collection of assessments related to the Township's participation in the Livingston Community Water Authority.

The Township reports the following major proprietary fund:

The Sewer Fund accounts for all the activity associated with the operations and maintenance of operating a sewage treatment system for residents.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after nine months-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property is considered capital assets regardless of initial cost.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 75 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

D. BUDGETARY DATA

The board of trustees follows the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the nine months ended March 31, 2006, expenditures exceeded appropriations in several functional activities.

Budgets were not prepared for all special revenue funds. This is a violation of Public Act 493 of 2000.

E. PROPERTY TAXES

The Township's property taxes are levied and become a lien on each December 1st based on the taxable value of property located in the Township as of the preceding December 31st. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls. The Township recognized the amount levied December 1, 2005 as revenue for the nine months ended March 31, 2006.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The 2005 taxable valuation of the Township totaled \$ 843,627,497. The delinquent real property taxes of Green Oak Charter Township are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes. The county disbursed the delinquent taxes to the Township in June 2006.

The Township levies the following millage:

General Township	0.8899
Police and police capital improvements	1.5475
Fire and fire capital improvements	<u>1.4510</u>
Total millage	<u>3.8884</u>

F. MANAGEMENT'S ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. CASH EQUIVALENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

H. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

I. RISK MANAGEMENT

The Township is exposed to various risks of loss pertaining to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for these claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Green Oak Charter Township have been included in the general purpose financial statements.

A. BLENDED COMPONENT UNIT

1. **Building Authority** - Green Oak Charter Township Building Authority is governed by a three member board appointed by the Township. Although it is legally separate from the Township, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings.

The following potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

1. **Fonda Island & Briggs Lake Joint Water Authority** - Green Oak Charter Township appoints three members of the authority's six member board. The authority is fiscally independent from the Township. The authority is audited as an independent entity in compliance with Public Act 2.
2. **South Eastern Livingston County Recreation Authority - (SELCRA)** - SELCRA is an inter-local agreement which includes the City of Brighton, Brighton Area Schools, Genoa Township, Charter Township of Brighton and Green Oak Charter Township.
3. **Friends of Green Oak Township Fire Department, Inc.** - The Association is not included in the financial statements, and was determined not to be a component unit based on the criteria of GASB 39. The Association has obtained tax exempt status from the Internal Revenue Service.
4. **Green Oak Fire Fighters Association** - The Association is not included in the financial statements. The Association is an independent non-profit that is in the process of obtaining tax exempt status from the Internal Revenue Service.
5. **Livingston Community Water Authority** - The Water Authority consists of Green Oak Charter Township, Charter Township of Brighton, and Hamburg Township. Two people per Township are appointed to the Authority. It was organized December 19, 2000. The Authority is audited as an independent entity in compliance with Public Act 2.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the governmental fund for the nine months ended March 31, 2006 was as follows:

A summary of changes in governmental fund capital assets follows:

	Balance 7/1/05	Additions	Deletions	Balance 3/31/06
Land	\$ 598,917	\$	\$	\$ 598,917
Buildings and improvements	3,798,627			3,798,627
Machinery and equipment	<u>2,709,018</u>	<u>78,945</u>	<u>(66,705)</u>	<u>2,721,258</u>
Total capital assets	7,106,562	78,945	(66,705)	7,118,802
Accumulated depreciation	<u>(1,887,862)</u>	<u>(230,900)</u>	<u>25,425</u>	<u>(2,093,337)</u>
Governmental activities capital asset, net	<u>\$ 5,218,700</u>	<u>\$ (151,955)</u>	<u>\$ (41,280)</u>	<u>\$ 5,025,465</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. There is \$ 2,361,165 of debt associated with these capital assets.

Depreciation expense was distributed to the various activities as follows:

General government	\$ 44,801
Fire protection	137,545
Police protection	29,619
Parks and recreation	<u>18,935</u>
	<u>\$ 230,900</u>

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 3 - CAPITAL ASSETS - (continued)

A summary of changes in proprietary fixed assets is as follows:

Acquisitions of fixed assets in the Saxony Water Fund and Sewer Fund are recorded in their respective asset accounts and annual depreciation, based on the straight-line method over estimated useful life, is charged to current operations.

	Balance 7/1/05	Additions	Deletions	Balance 3/31/06
Land	\$ 2,893,301	\$	\$	\$ 2,893,301
Water system improvements	26,537		(26,537)	
Sewer system	<u>10,489,179</u>			<u>10,489,179</u>
	13,409,017		(26,537)	13,382,480
Less: accumulated depreciation	<u>(1,062,366)</u>	<u>(187,406)</u>	<u>18,878</u>	<u>(1,230,894)</u>
Fixed assets, net of depreciation	<u>\$ 12,346,651</u>	<u>\$ (187,406)</u>	<u>\$ (7,659)</u>	<u>\$ 12,151,586</u>
CONSTRUCTION IN PROGRESS	<u>\$ 11,330,322</u>	<u>\$ 1,210,445</u>	<u>\$</u>	<u>\$ 12,540,767</u>

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables exist at March 31, 2006. These represent short-term borrowings and amounts owed for reimbursements between other funds. The total interfund receivable and payable balance at March 31, 2006 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Fund</u>	<u>Payable</u>
General Fund	\$ 390	Fire Fund	\$ 390
General Fund	203	Special Police Fund	203
General Fund	21,908	Davis Creek Dredging Fund	21,908
		Centennial Farms Arsenic	
General Fund	41,930	Improvement Fund	41,930
General Fund	2,328	Sewer Fund	2,328
General Fund	2,121	Trust and Agency Fund	2,121
General Fund	77,722	Current Tax Fund	77,722
Fire Fund	2,137	Current Tax Fund	2,137
Special Police Fund	2,278	Current Tax Fund	2,278
Saxony-Willmor Paving Capital	767,685	Saxony-Willmor Debt Service	
Projects Fund		Fund	767,685
Saxony-Willmor Paving Debt	3,725	General Fund	3,725
Service Fund			
Saxony-Willmor Paving Debt	6,120	Pheasant Lake Debt Service Fund	6,120
Service Fund			
Saxony-Willmor Paving Debt	2,813	Water System Capital Projects	2,813
Service Fund		Fund	
Sewer Fund	4,404	Centennial Farms Fund	4,404
Sewer Fund	4,200	Reicks Farms Fund	4,200
Sewer Fund	3,090	Current Tax Fund	3,090
Trust and Agency fund	1,228	Reicks Farms Fund	1,228
Trust and Agency fund	15,841	Saxony Water Fund	15,841
Sewer Fund	<u>9,251</u>	General Fund	<u>9,251</u>
	<u>\$ 969,374</u>		<u>\$ 969,374</u>

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 5 - LONG-TERM DEBT

A summary of the Township's governmental activities long-term debt as of March 31, 2006, and transactions during the nine months then ended follows:

	<u>Balance 7/1/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/06</u>
Viking Lane Special Assessment Bonds \$	8,000	\$	\$	\$ 8,000
Pheasant Lake Special Assessment Bonds	110,000		15,000	95,000
Building Authority Bonds - 1998	375,000		20,000	355,000
Building Authority Bonds - 2000	1,515,000		65,000	1,450,000
Livingston County Water Bonds -2002	1,375,000		70,000	1,305,000
Livingston County Water Bonds - 2003	5,775,000			5,775,000
Capital leases payable	556,165			556,165
Contracts payable - roads	134,667		19,238	115,429
Saxony - Willmor Paving Bond		<u>810,000</u>		<u>810,000</u>
Total	<u>\$ 9,848,832</u>	<u>\$ 810,000</u>	<u>\$ 189,238</u>	<u>\$ 10,469,594</u>

Bonds Payable

1. On February 7, 1996, the Township issued \$ 77,000 Series 1996-A road special assessment bonds to finance the Viking Lane special assessment road improvements. The special assessment is for a ten-year term and the bonds require an annual payment of principal and interest. As of March 31, 2006, the outstanding balance was \$ 8,000 with an interest rate ranging from 6% to 5.2%.
2. On July 1, 1997, the Township issued special assessment road bonds Series 1997, to finance the Pheasant Lake special assessment road improvements. The special assessment is for a fifteen year term and the bonds require an annual payment of principal and interest. As of March 31, 2006, the outstanding balance was \$ 95,000 with an interest rate ranging from 5.35% to 5.55%.
3. On December 22, 1998 the Township issued Building Authority general obligation bonds series 1998 to purchase land for construction of a new township hall. The bonds mature in 2018 with principal payments due annually and interest payments made semi-annually with an interest rate ranging from 3.3% to 5.0%. As of March 31, 2006, the outstanding balance was \$ 355,000.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 5 - LONG-TERM DEBT - (continued)

4. On October 1, 2000 the Township issued Building Authority general obligation bonds series 2000 to finance the construction of the new township hall. The bonds mature in 2020 with principal payments due annually and interest payments made semi-annually with an annual interest rate ranging from 4.75% to 5.55%. As of March 31, 2006, the outstanding balance was \$ 1,450,000.
5. On October 1, 2002 the Township issued Capital Improvement Bonds, Series 2002 to finance the reconstruction costs of a new water system to be maintained by the Livingston Community Water Authority. The bonds mature in 2019 with principal payments due annually and interest payments made semi-annually with an annual interest rate ranging from 2.5% to 4.3%. As of March 31, 2006, the outstanding balance was \$ 1,305,000.
6. On September 1, 2003, the Township issued Capital Improvement Bonds, Series 2003 to finance the reconstruction costs of a new water system to be maintained by the Livingston Community Water Authority. The bonds mature in 2023 with principal payments due annually and interest payments made semi-annually with an interest rate ranging from 2.75% to 5.0%. As of March 31, 2006, the outstanding balance was \$ 5,775,000.
7. On November 1, 2005 the Township issued Saxony - Willmor Subdivision Road Special Assessment Bonds to finance some road projects. The bonds mature in 2015 with principal payments due annually and interest payments made semi-annually with an interest rate ranging from 3.5% to 4.25%. As of March 31, 2006, the outstanding balance was \$ 810,000.

The following is a schedule of principal and interest payments to service the long-term debt bond obligations of the Township for the governmental funds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 - 2007	\$ 363,000	\$ 417,793	\$ 780,793
2007 - 2008	450,000	403,703	853,703
2008 - 2009	480,000	387,541	867,541
2009 - 2010	530,000	369,059	899,059
2010 - 2011	570,000	347,881	917,881
2011 - 2016	3,075,000	1,367,006	4,442,006
2016 - 2021	3,005,000	675,738	3,680,738
2021 - 2024	<u>1,325,000</u>	<u>100,094</u>	<u>1,425,094</u>
Total	<u>\$ 9,798,000</u>	<u>\$ 4,068,815</u>	<u>\$13,866,815</u>

Capital Leases

- B. On October 1, 2000 the Township entered into a capital lease agreement to purchase trucks for the fire department. The term of the lease is for ten years. Interest is charged at a rate of 4.92% per annum with an annual payment of \$ 203,922.66. As of March 31, 2006, the outstanding principal balance was \$ 556,165.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 5 - LONG-TERM DEBT - (continued)

The following is a schedule of principal and interest payments to service the long-term capital lease obligations of the Township:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 - 2007	\$ 176,559	\$ 27,363	\$ 203,922
2007 - 2008	185,246	18,677	203,923
2008 - 2009	<u>194,360</u>	<u>9,563</u>	<u>203,923</u>
Total	<u>\$ 556,165</u>	<u>\$ 55,603</u>	<u>\$ 611,768</u>

Contract Payable

On July 1, 2001 the Township signed a contract to repay the Livingston County Road Commission for Michigan Transportation Fund Notes sold to finance road construction. The term of the contract is 10 years. Interest is charged at a rate ranging from 4.0% to 4.35% per annum with a principal payment of \$ 19,238.20 due annually until maturity on February 1, 2012. As of March 31, 2006, the outstanding principal balance was \$ 115,429.

The following is a schedule of principal and interest payments to service the long-term contract payable obligations of the Township:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 - 2007	\$ 19,238	\$ 4,470	\$ 23,708
2007 - 2008	19,238	3,677	22,915
2008 - 2009	19,238	2,876	22,114
2009 - 2010	19,238	2,063	21,301
2010 - 2011	19,238	1,246	20,484
2011 - 2012	<u>19,239</u>	<u>418</u>	<u>19,657</u>
	<u>\$ 115,429</u>	<u>\$ 14,750</u>	<u>\$ 130,179</u>

NOTE 6 - PROPRIETARY FUND - BONDS PAYABLE

- On February 1, 2000, the Township issued Sanitary Sewer special assessment bonds Series 2000 to finance the purchase of a sanitary sewer system. The bonds mature in 2020 with principal payments due annually starting in 2002, and interest payments made semi-annually with an interest rate ranging from 5.250% to 5.500%. As of March 31, 2006, the outstanding balance was \$ 6,300,000. The activity for this debt service is recorded in the Sewer Fund.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 6 - PROPRIETARY FUND - BONDS PAYABLE - (continued)

2. On March 1, 2002, the Township issued Sanitary Sewer System Phase II assessment bonds Series 2004 to finance the purchase of a sanitary sewer system. The bonds mature in 2020 with principal payments due annually starting in 2002, and interest payments made semi-annually with an interest rate ranging from 3.90% to 5.00%. As of March 31, 2006, the outstanding balance was \$ 1,250,000. The activity for this debt service is recorded in the Sewer Fund.
3. On October 1, 2002, the Township issued Sanitary Sewer System Phase III assessment bonds series 2002 to finance the purchase of a sanitary sewer system. The bonds mature in 2022 with principal payments due annually starting in 2004, and interest payments made semi-annually with an interest rate ranging from 3.35% to 4.65%. As of March 31, 2006, the outstanding balance was \$ 435,000. The activity for this debt service is recorded in the Sewer Fund.
4. On July 1, 2003, the Township issued Sanitary Sewer System special assessment bonds series 2003 to finance the construction of a sanitary sewer system. The bonds mature in 2023 with principal payments due annually starting in 2004, and interest payments made semi-annually with an interest rate ranging form 2.50% to 4.30%. As of March 31, 2006, the outstanding balance was \$ 12,265,000. The activity for this debt service is recorded in the Sewer Fund.
5. On April 1, 2004, the Township issued Sanitary Sewer System special assessment bonds series 2004 to finance the construction of a sanitary sewer system. The bonds mature in 2024 with principal payments due annually starting in 2005, and interest payments made semi-annually with an interest rate ranging from 3.00% to 4.85%. As of March 31, 2006, the outstanding balance was \$ 670,000. The activity for this debt service is recorded in the Sewer Fund.
6. On August 1, 2004, the Township issued Hidden Lake Sanitary Sewer System special assessment bonds series 2004A to finance the construction of a sanitary sewer system improvements for the Hidden Lake system and improvements near Briggs Lake & U.S. 23. The bonds mature in 2024 with principle payments due annually starting in 2005, and interest payments made semi-annually with an interest rate ranging from 3.25% to 4.6%. As of March 31, 2006, the outstanding balance was \$ 2,385,000. The activity for this debt service is recorded in the Sewer Fund.

The following is a schedule of principal and interest payments to service the proprietary funds bond obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 - 2007	\$ 930,000	\$ 976,532	\$ 1,906,532
2007 - 2008	970,000	943,448	1,913,448
2008 - 2009	995,000	909,310	1,904,310
2009 - 2010	1,035,000	873,449	1,908,449
2010 - 2011	1,210,000	831,104	2,041,104
2011 - 2016	6,780,000	3,330,117	10,110,117
2012 - 2021	7,765,000	1,694,985	9,459,985
2021 - 2025	<u>3,620,000</u>	<u>260,392</u>	<u>3,880,392</u>
Total	<u>\$ 23,305,000</u>	<u>\$ 9,819,337</u>	<u>\$ 33,124,337</u>

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN

The name of the plan is: "Green Oak Charter Township Group Pension Plan" - #70485

The plan administrator is: Clerk, Green Oak Charter Township
10001 Silver Lake Road
Brighton, Michigan 48116

The plan was effective July 1, 1986, and was last amended on April 29, 2002. The records of the plan are maintained on a plan year basis. A plan year is the period from July 1 to June 30 of the following year.

The plan covers all full-time employees, hourly or salaried, working thirty-five hours or more per week.

The account balances prepared in July 2006, reflect contributions from the period July 1, 2005 to March 31, 2006, are as follows:

Guaranteed Account:

Account value at last annual statement	\$ 467,517
Current year contributions	98,504
Withdrawals	(49,016)
Investment gain (loss) less asset charge	<u>67,037</u>
Account value at March 31, 2006	<u><u>\$ 584,042</u></u>

Certain officials and full time employees are eligible to join the plan on the date the plan starts, or on the first entry date coincident with or immediately following the date of employment if later, provided he or she has completed three months service, and is at least age 18, but no more than age 75.

Entry to the plan occurs on the first day of each calendar month. The plan provides for 100% vesting after five years of service.

As of the date of issuance of the financial statements, current year plan data was not available.

The employer contribution is 10% of annual compensation, with a minimum contribution of \$ 300 per year. A contribution of \$ 98,504 was made in the nine months ended March 31, 2006.

The total current year payroll for all employees was \$1,628,311. The amount determined to be the employer's current year covered employment was \$ 985,040.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Plan Description - The Green Oak Charter Township Police Department participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined benefit public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. The Township has no fiduciary responsibility for the plan. All full-time employees of the police department are eligible to participate in the plan immediately upon employment.

As of December 31, 2005, the police department had fourteen covered employees and eighteen total employees. Covered payroll for the year then ended was \$ 668,183.

The police department is covered under benefit program (C-NEW). The plan provides for vesting of benefits after ten years of service. Participants may elect normal retirement at age 60, with 10 or more years of service. The plan also provides for early retirement at age 55, with 15 or more years of service, and at age 50 with 25 or more years of service.

Employees do not contribute to the plan.

The police department currently has no retirants or beneficiaries in the plan.

The following information, which is the most current available, was obtained from the Township's actuarial consultants, the Segal Company. The amount disclosed as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (a) help users assess the plan's funding status on a going-concern basis, (b) assess progress being made in accumulating sufficient assets to pay benefits when due, and (c) allow for comparisons among public employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligation was determined as part of an actuarial valuation of the plan as of December 31, 1997. Significant actuarial assumptions used in determining the pension benefit obligation include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year (annually) after retirement.

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 8 - PENSION PLAN - (continued)

At December 31, 2005, the unfunded pension benefit obligation was \$ 926,126, determined as follows:

Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits	\$ 0
Terminated employees not yet receiving benefits	143,979
Non-vested terminated employees	
Current employees	
Accumulated employee contribution, including allocated investment income	195,442
Employer financed	<u>1,467,568</u>
 Total pension benefit obligation	 1,806,989
 Net assets available for benefits, at cost (at market)	 <u>880,863</u>
 Unfunded actuarial accrued liability	 <u><u>\$ 926,126</u></u>

Analysis of Funding Progress

Valuation Date <u>December 31</u>	Net Assets Available for Benefits (1)	Pension Benefit Obligation (PBO) (2)	Percent Funded (1)/(2)	Unfunded (Overfunded) PBO (2)-(1)	Annual Covered Payroll	Unfunded PBO as a % of Covered Payroll
1994	\$ 19,641	\$ 1,090	1,802%	\$ (18,550)	\$ 116,398	0
1995	40,372	17,074	236%	(23,297)	288,736	0
1996	69,770	140,582	50%	70,812	386,585	18
1997	88,589	266,805	33%	178,216	466,480	38
1998	136,288	353,479	39%	217,191	555,133	39
1999	200,575	385,418	52%	184,843	575,310	32
2000	279,722	478,469	58%	198,747	471,988	42
2001	360,226	1,074,674	34%	714,448	542,622	132
2002	435,433	1,286,263	34%	850,830	614,886	138
2003	565,104	1,413,990	40%	848,886	641,217	132
2004	733,239	1,651,615	56%	918,376	611,766	150
2005	880,863	1,806,989	49%	926,126	668,183	139

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township deposits are in accordance with statutory authority. The Township maintains an imprest petty cash account of \$400.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

<u>Deposits</u>	<u>Fiduciary Funds</u>	<u>Primary Government</u>	<u>Total Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$	\$ 300,000	\$ 300,000	\$ 300,000
Uninsured and uncollateralized	<u>344,501</u>	<u>11,969,257</u>	<u>12,313,758</u>	<u>12,374,290</u>
Total deposits	\$ 344,501	12,269,257	12,613,758	<u>\$ 12,674,290</u>
Petty cash	<u></u>	<u>400</u>	<u>400</u>	
Total cash	<u>\$ 344,501</u>	<u>\$ 12,269,657</u>	<u>\$ 12,614,158</u>	

NOTE 10 - STATEMENT OF CASH FLOWS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. The indirect method was utilized to present cash flows from operations of the Township's Proprietary Funds. The following is a schedule of beginning and ending cash and cash equivalents:

	<u>July 1, 2005</u>	<u>March 31, 2006</u>
Current assets - cash	\$ 790,501	\$ 907,506
Restricted cash	<u>3,795,037</u>	<u>4,151,228</u>
	<u>\$ 4,585,538</u>	<u>\$ 5,058,734</u>

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 11 - SEGMENT INFORMATION - ENTERPRISE FUNDS

Selected financial information with respect to the four enterprise funds is as follows:

	<u>Saxony Water</u>	<u>Centennial Farms</u>	<u>Reick's Farms</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues \$		\$ 31,609	\$ 3,912	\$ 161,394	\$ 196,915
Depreciation/amortization				189,013	189,013
Operating income (loss) (131,273)		(38)	(1,192)	(81,753)	(214,256)
Net working capital (6,408)			17,242	680,045	690,879
Total assets	132,433	6,920	22,945	51,108,693	51,270,991
Retained earnings	116,592		17,242	27,592,907	27,726,741

NOTE 12 - CONTINGENT LIABILITIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

NOTE 13 - BUILDING AUTHORITY AGREEMENT

On December 1, 1998 the Green Oak Charter Township Building Authority sold \$475,000 in general obligation limited tax bonds to finance the construction of a new township hall. The Green Oak Charter Township general fund will make an annual payment to the building authority fund in the amount of the debt service requirements. The general fund and building authority fund will record these amounts as rental income/expenditures as they are paid. The following is a schedule of payments the general fund must make to the building authority fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 - 2007	\$ 20,000	\$ 16,385	\$ 36,385
2007 - 2008	20,000	15,535	35,535
2008 - 2009	20,000	14,665	34,665
2009 - 2010	25,000	13,663	38,663
2010 - 2011	25,000	12,525	37,525
2011 thereafter	<u>245,000</u>	<u>52,090</u>	<u>297,090</u>
	<u>\$ 355,000</u>	<u>\$ 124,863</u>	<u>\$ 479,863</u>

GREEN OAK CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

NOTE 14 - SPECIAL ASSESSMENTS

The special assessment balances were not being maintained regularly/consistently by the Township on a regular basis. With all the utility system activities being conducted in the area, the Township will be re-evaluating how these assessments are to be maintained to ensure accuracy in the future.

NOTE 15 - FEDERAL GRANT ACTIVITIES

The Township has been a recipient of various federal grant funds. There was \$2,460 received in the current year. However, these funds and funds received in prior year may still be subject to federal grant audit requirements.

NOTE 16 - CHANGE OF REPORTING PERIOD

Green Oak Charter Township has elected to become a charter township as of July 1, 2005. By making this change, it was required to change its fiscal reporting period to end on March 31st. Thus, the financial statements only include the financial activity for the nine months ended March 31, 2006.

REQUIRED SUPPLEMENTARY INFORMATION

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$	\$	\$ 794,648	\$
State shared revenues			714,435	
Clean up grant			1,888	
Charges for services			434,819	
Interest			31,898	
Reimbursements			34,084	
Miscellaneous			76,993	
Total revenues	<u>2,383,720</u>	<u>1,910,177</u>	<u>2,088,765</u>	<u>178,588</u>
EXPENDITURES				
Township board			219,251	
Assessor			202,666	
Supervisor			128,291	
Election			48,458	
Clerk			235,381	
Treasurer			165,823	
Township hall and grounds			127,812	
Crossing guards			6,240	
Planning commission			73,859	
Planning and zoning			106,486	
Board of review			3,282	
Unallocated			102,592	
Zoning board of appeals			5,018	
Roads			73,571	
Cemetery maintenance			17,483	
Recreation			71,776	
Total expenditures	<u>2,164,520</u>	<u>1,776,142</u>	<u>1,587,989</u>	<u>188,153</u>
Excess of revenues over (under) expenditures	219,200	134,035	500,776	366,741
OTHER FINANCING SOURCES (USES)				
Transfers in		100,000		(100,000)
Transfers (out)	<u>(219,200)</u>	<u>(230,200)</u>	<u>(234,078)</u>	<u>(3,878)</u>
Total other financing sources (uses)		<u>(130,200)</u>	<u>(234,078)</u>	<u>(103,878)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)		3,835	266,698	262,863
FUND BALANCE, JULY 1, 2005	<u>1,362,465</u>	<u>1,362,465</u>	<u>1,362,465</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 1,362,465</u>	<u>\$ 1,366,300</u>	<u>\$ 1,629,163</u>	<u>\$ 262,863</u>

GREEN OAK CHARTER TOWNSHIP
SPECIAL POLICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$	\$	\$ 1,307,044	\$
Liquor license fees			6,401	
Michigan training grant			1,430	
Fines			12,828	
Service fees			80	
Copies			2,743	
Interest			1,973	
Cost recovery			17,005	
Vehicle inspections			400	
Other revenues			910	
Total revenues	1,342,900	1,336,676	1,350,814	14,138
EXPENDITURES	1,480,338	1,136,638	1,080,446	56,192
Excess of revenues over (under) expenditures	(137,438)	200,038	270,368	70,330
OTHER FINANCING SOURCES (USES)				
Transfers in	205,100	200,000	200,000	
Transfers (out)	(12,000)	(12,000)	(12,000)	
Total other financing sources (uses)	193,100	188,000	188,000	
Excess of revenues over (under) expenditures and other financing sources (uses)	55,662	388,038	458,368	70,330
FUND BALANCE, JULY 1, 2005	106,509	106,509	106,509	
FUND BALANCE, MARCH 31, 2006	\$ 162,171	\$ 494,547	\$ 564,877	\$ 70,330

GREEN OAK CHARTER TOWNSHIP
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 1,225,537	\$
EMS grant			2,460	
Donations			100	
Interest			8,413	
Charges for services			12,616	
Total revenues	1,221,440	1,221,440	1,249,126	27,686
EXPENDITURES	<u>758,323</u>	<u>620,547</u>	<u>580,195</u>	<u>40,352</u>
Excess of revenues over (under) expenditures	463,117	600,893	668,931	68,038
OTHER FINANCING SOURCES (USES)				
Transfers in	5,100			
Transfers (out)	<u>(439,109)</u>	<u>(439,109)</u>	<u>(439,109)</u>	
Total other financing sources (uses)	<u>(434,009)</u>	<u>(439,109)</u>	<u>(439,109)</u>	
Excess of revenues over (under) expenditures and other financing sources (uses)	29,108	161,784	229,822	68,038
FUND BALANCE, JULY 1, 2005	<u>481,431</u>	<u>481,431</u>	<u>481,431</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 510,539</u>	<u>\$ 643,215</u>	<u>\$ 711,253</u>	<u>\$ 68,038</u>

GREEN OAK CHARTER TOWNSHIP
SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

POLICE EMPLOYEES

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (Overfunded) Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2001	\$ 360,226	\$ 544,347	\$ 184,121	66.18%	\$ 542,622	33.9%
December 31, 2002	\$ 435,433	\$ 1,286,265	\$ 850,830	33.85%	\$ 614,886	138.4%
December 31, 2003	\$ 565,104	\$ 1,413,990	\$ 848,886	39.97%	\$ 641,217	132.4%
December 31, 2004	\$ 733,239	\$ 1,651,615	\$ 918,376	55.60%	\$ 611,766	150.1%
December 31, 2005	\$ 880,863	\$ 1,806,989	\$ 926,126	48.75%	\$ 668,183	138.6%

SUPPLEMENTARY INFORMATION

COMBINING
FINANCIAL
STATEMENTS

GREEN OAK CHARTER TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2006

	Building Department Fund	Cemetery Perpetual Care	Fire	Fire Capital Vehicle and Equipment Fund	Special Police	Police Department Capital Vehicle and Equipment Fund
<u>ASSETS</u>						
ASSETS						
Cash	\$ 497,334	\$ 4,352	\$ 648,715	\$ 651,744	\$ 598,763	\$ 273,653
Taxes receivable			94,172		106,114	
Assessment receivable						
Accounts receivable						
Due from other funds			2,137		2,278	
Prepaid insurance	<u>15,786</u>	<u></u>	<u>11,260</u>	<u></u>	<u>25,890</u>	<u></u>
Total assets	<u>\$ 513,120</u>	<u>\$ 4,352</u>	<u>\$ 756,284</u>	<u>\$ 651,744</u>	<u>\$ 733,045</u>	<u>\$ 273,653</u>
 <u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Accounts payable	\$ 3,850	\$	\$ 5,274	\$	\$ 21,079	\$
Accrued wages and vacation	12,272		39,367		146,886	
Due to other funds	<u></u>	<u></u>	<u>390</u>	<u></u>	<u>203</u>	<u></u>
Total liabilities	16,122		45,031		168,168	
FUND BALANCE	<u>496,998</u>	<u>4,352</u>	<u>711,253</u>	<u>651,744</u>	<u>564,877</u>	<u>273,653</u>
Total liabilities and fund balance	<u>\$ 513,120</u>	<u>\$ 4,352</u>	<u>\$ 756,284</u>	<u>\$ 651,744</u>	<u>\$ 733,045</u>	<u>\$ 273,653</u>

<u>Police Special Investigation</u>	<u>Police Retiree Health Care</u>	<u>Budget Stabilization</u>	<u>Storm Water</u>	<u>Road Improvement</u>	<u>Land Development</u>	<u>Centennial Farm Arsenic Improvement</u>
\$ 13,678	\$ 11,996	\$ 298,361	\$ 18,861	\$ 507,091	\$ 20,604	\$ 3,468
						38,887
<u>\$ 13,678</u>	<u>\$ 11,996</u>	<u>\$ 298,361</u>	<u>\$ 18,861</u>	<u>\$ 507,091</u>	<u>\$ 20,604</u>	<u>\$ 42,355</u>
\$	\$	\$	\$ 190	\$	\$	\$ 425
						<u>41,930</u>
			190			42,355
<u>13,678</u>	<u>11,996</u>	<u>298,361</u>	<u>18,671</u>	<u>507,091</u>	<u>20,604</u>	
<u>\$ 13,678</u>	<u>\$ 11,996</u>	<u>\$ 298,361</u>	<u>\$ 18,861</u>	<u>\$ 507,091</u>	<u>\$ 20,604</u>	<u>\$ 42,355</u>

GREEN OAK CHARTER TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET - (continued)
MARCH 31, 2006

	<u>Riverside Drive Road Maintenance</u>	<u>Street Lights</u>	<u>Metro Act</u>	<u>Davis Creek Dredging</u>
<u>ASSETS</u>				
ASSETS				
Cash	\$ 6,847	\$ 8,972	\$ 28,416	\$ 19,246
Taxes receivable				
Assessment receivable	4	7,391		
Accounts receivable				2,662
Due from other funds				
Prepaid insurance				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,851</u>	<u>\$ 16,363</u>	<u>\$ 28,416</u>	<u>\$ 21,908</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 1,600	\$	\$	\$
Accrued wages and vacation				
Due to other funds				21,908
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,600			21,908
FUND BALANCE	<u>5,251</u>	<u>16,363</u>	<u>28,416</u>	<u> </u>
Total liabilities and fund balance	<u>\$ 6,851</u>	<u>\$ 16,363</u>	<u>\$ 28,416</u>	<u>\$ 21,908</u>

Total

\$ 3,612,101
200,286
7,395
41,549
4,415
52,936
\$ 3,918,682

\$ 32,418
198,525
64,431
295,374
3,623,308

\$ 3,918,682

GREEN OAK CHARTER TOWNSHIP
ALL DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2006

	<u>Viking Lane</u>	<u>Pheasant Lake</u>	<u>Building Authority</u>	<u>Saxony Willmor Paving</u>
<u>ASSETS</u>				
ASSETS				
Cash	\$ 17,194	\$ 43,938	\$ 6,669	\$ 859,202
Special assessment receivable	439	12,872		78,438
Deferred special assessment receivable		58,787		642,246
Due from other funds				12,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 17,633</u>	<u>\$ 115,597</u>	<u>\$ 6,669</u>	<u>\$ 1,592,544</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$	\$ 300	\$	\$
Due to other funds		6,120		767,685
Deferred revenue		70,615		713,813
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities		77,035		1,481,498
 FUND BALANCE - RESERVED	<u>17,633</u>	<u>38,562</u>	<u>6,669</u>	<u>111,046</u>
Total liabilities and fund balance	<u>\$ 17,633</u>	<u>\$ 115,597</u>	<u>\$ 6,669</u>	<u>\$ 1,592,544</u>

Total

\$ 927,003
91,749
701,033
12,658

\$ 1,732,443

\$ 300
773,805
784,428

1,558,533

173,910

\$ 1,732,443

GREEN OAK CHARTER TOWNSHIP
ALL CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2006

	<u>Sewer Improvement</u>	<u>Centennial Farms</u>	<u>Water System</u>	<u>Saxony- Willmor Paving</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 14,790	\$ 48,592	\$ 1,335,027	\$
Special assessments receivable			5,909,770	
Due from other funds				<u>767,685</u>
Total assets	<u>\$ 14,790</u>	<u>\$ 48,592</u>	<u>\$ 7,244,797</u>	<u>\$ 767,685</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Due to other funds	\$	\$	\$ 2,813	\$
Deposits		40,237		
Deferred revenues			<u>5,717,444</u>	
Total liabilities		40,237	5,720,257	
FUND BALANCE - RESERVED	<u>14,790</u>	<u>8,355</u>	<u>1,524,540</u>	<u>767,685</u>
Total liabilities and fund balance	<u>\$ 14,790</u>	<u>\$ 48,592</u>	<u>\$ 7,244,797</u>	<u>\$ 767,685</u>

Total

\$ 1,398,409
5,909,770
767,685

\$ 8,075,864

\$ 2,813
40,237
5,717,444

5,760,494

2,315,370

\$ 8,075,864

GREEN OAK CHARTER TOWNSHIP
ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2006

	<u>Saxony Water</u>	<u>Centennial Farms</u>	<u>Reick's Farms</u>	<u>Sewer</u>	<u>Total</u>
<u>ASSETS</u>					
ASSETS					
Cash	\$ 9,433	\$ 6,920	\$ 21,287	\$ 869,866	\$ 907,506
Cash - restricted				4,151,228	4,151,228
Accounts receivable			1,658	69,003	70,661
Special assessments receivable				20,734,348	20,734,348
Due from county				602,717	602,717
Due from other funds				20,945	20,945
Construction in progress				12,540,767	12,540,767
Land	123,000			2,770,301	2,893,301
Sewer system				10,489,179	10,489,179
Accumulated depreciation				(1,230,894)	(1,230,894)
Bond discount, net				91,233	91,233
Total assets	<u>\$ 132,433</u>	<u>\$ 6,920</u>	<u>\$ 22,945</u>	<u>\$ 51,108,693</u>	<u>\$ 51,270,991</u>
<u>LIABILITIES AND FUND EQUITY</u>					
LIABILITIES					
Accounts payable	\$	\$ 2,516	\$ 275	\$	\$ 2,791
Accrued expenses				208,458	208,458
Due to other funds	15,841	4,404	5,428	2,328	28,001
Bonds payable				23,305,000	23,305,000
Total liabilities	15,841	6,920	5,703	23,515,786	23,544,250
FUND EQUITY					
Retained earnings	<u>116,592</u>		<u>17,242</u>	<u>27,592,907</u>	<u>27,726,741</u>
Total liabilities and fund equity	<u>\$ 132,433</u>	<u>\$ 6,920</u>	<u>\$ 22,945</u>	<u>\$ 51,108,693</u>	<u>\$ 51,270,991</u>

GREEN OAK CHARTER TOWNSHIP
ALL FIDUCIARY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2006

	<u>AGENCY FUNDS</u>		<u>Total</u>
	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 97,676	\$ 246,825	\$ 344,501
Due from others	7,519	55,039	62,558
Due from other funds		17,069	17,069
Total assets	<u>\$ 105,195</u>	<u>\$ 318,933</u>	<u>\$ 424,128</u>
<u>LIABILITIES</u>			
LIABILITIES			
Due to others	\$ 19,968	\$ 316,812	\$ 336,780
Due to other funds	85,227	2,121	87,348
Total liabilities	<u>\$ 105,195</u>	<u>\$ 318,933</u>	<u>\$ 424,128</u>

GREEN OAK CHARTER TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Building Department</u>	<u>Cemetery Perpetual Care</u>	<u>Fire</u>	<u>Special Fire Capital</u>	<u>Fire Capital Vehicle and Equipment</u>	<u>Special Police</u>
REVENUES						
Taxes	\$	\$	\$ 1,225,537	\$	\$	\$ 1,307,044
Special assessments						
Charges for services	363,751		12,616			40,887
Grant - federal			2,460			
Interest	8,793	4	8,413	7	4,432	1,973
Donations			100			
Sale of assets	10,525				11,500	
Other						910
Total revenues	<u>383,069</u>	<u>4</u>	<u>1,249,126</u>	<u>7</u>	<u>15,932</u>	<u>1,350,814</u>
EXPENDITURES						
General government	366,157					
Fire protection			580,195		89,327	
Police protection						1,080,446
Public works						
Total expenditures	<u>366,157</u>		<u>580,195</u>		<u>89,327</u>	<u>1,080,446</u>
Excess of revenues over (under) expenditures	<u>16,912</u>	<u>4</u>	<u>668,931</u>	<u>7</u>	<u>(73,395)</u>	<u>270,368</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		3,878			447,676	200,000
Transfers (out)			(439,109)	(3,467)		(12,000)
Total other financing sources (uses)		<u>3,878</u>	<u>(439,109)</u>	<u>(3,467)</u>	<u>447,676</u>	<u>188,000</u>
Excess of revenues over (under) expenditures and other financing sources(uses)	16,912	3,882	229,822	(3,460)	374,281	458,368
FUND BALANCE, JULY 1, 2005	<u>480,086</u>	<u>470</u>	<u>481,431</u>	<u>3,460</u>	<u>277,463</u>	<u>106,509</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 496,998</u>	<u>\$ 4,352</u>	<u>\$ 711,253</u>	<u>\$</u>	<u>\$ 651,744</u>	<u>\$ 564,877</u>

<u>Police Department Vehicle and Equipment</u>	<u>Police Special Investigation</u>	<u>Police Retiree Health Care</u>	<u>Budget Stabilization</u>	<u>Storm Water</u>	<u>Road Improvement</u>	<u>Land Development</u>	<u>Centennial Farms Arsenic Improvement</u>
\$	\$	\$	\$	\$	\$	\$	\$
					50,000		23,725
4,749	70	12	5,244	113	12,078	146	57
<u>4,749</u>	<u>70</u>	<u>12</u>	<u>5,244</u>	<u>113</u>	<u>62,078</u>	<u>146</u>	<u>23,782</u>
3,516		16		<u>9,248</u>			<u>23,782</u>
<u>3,516</u>		<u>16</u>		<u>9,248</u>			<u>23,782</u>
<u>1,233</u>	<u>70</u>	<u>(4)</u>	<u>5,244</u>	<u>(9,135)</u>	<u>62,078</u>	<u>146</u>	
5,100		12,000		20,000			
<u>5,100</u>		<u>12,000</u>		<u>20,000</u>			
6,333	70	11,996	5,244	10,865	62,078	146	
<u>267,320</u>	<u>13,608</u>		<u>293,117</u>	<u>7,806</u>	<u>445,013</u>	<u>20,458</u>	
<u>\$ 273,653</u>	<u>\$ 13,678</u>	<u>\$ 11,996</u>	<u>\$ 298,361</u>	<u>\$ 18,671</u>	<u>\$ 507,091</u>	<u>\$ 20,604</u>	<u>\$</u>

GREEN OAK CHARTER TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	Riverside Drive Road Maintenance	Street Lights	Metro Act	Davis Creek Dredging	Total
REVENUES					
Taxes	\$	\$	\$	\$	\$ 2,532,581
Special assessments	5,126	11,490			16,616
Charges for services		19		2,662	493,660
Grant - federal					2,460
Interest	15	22	235	53	46,416
Donations					100
Sale of assets					22,025
Other					910
Total revenues	<u>5,141</u>	<u>11,531</u>	<u>235</u>	<u>2,715</u>	<u>3,114,768</u>
EXPENDITURES					
General government					366,157
Fire protection					669,522
Police protection					1,083,978
Public works	<u>1,980</u>	<u>6,765</u>		<u>2,715</u>	<u>44,490</u>
Total expenditures	<u>1,980</u>	<u>6,765</u>		<u>2,715</u>	<u>2,164,147</u>
Excess of revenues over (under) expenditures	<u>3,161</u>	<u>4,766</u>	<u>235</u>		<u>950,621</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					688,654
Transfers (out)					(454,576)
Total other financing sources (uses)					<u>234,078</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	3,161	4,766	235		1,184,699
FUND BALANCE JULY 1, 2005	<u>2,090</u>	<u>11,597</u>	<u>28,181</u>		<u>2,438,609</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 5,251</u>	<u>\$ 16,363</u>	<u>\$ 28,416</u>	<u>\$</u>	<u>\$ 3,623,308</u>

GREEN OAK CHARTER TOWNSHIP
ALL DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Viking Lane</u>	<u>Pheasant Lake</u>	<u>Building Authority</u>	<u>Saxony-Willmor Paving</u>	<u>Total</u>
REVENUES					
Special assessments	\$ 5,500	\$ 18,080	\$	\$ 103,362	\$ 126,942
Rental income			179,231		179,231
Interest	<u>426</u>	<u>464</u>	<u>212</u>	<u>7,684</u>	<u>8,786</u>
Total revenues	5,926	18,544	179,443	111,046	314,959
EXPENDITURES					
Debt service	<u>208</u>	<u>21,275</u>	<u>179,806</u>		<u>201,289</u>
Excess of revenues over (under) expenditures	5,718	(2,731)	(363)	111,046	113,670
FUND BALANCE, JULY 1, 2005	<u>11,915</u>	<u>41,293</u>	<u>7,032</u>		<u>60,240</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 17,633</u>	<u>\$ 38,562</u>	<u>\$ 6,669</u>	<u>\$ 111,046</u>	<u>\$ 173,910</u>

GREEN OAK CHARTER TOWNSHIP
ALL CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	Sewer Improvement	Centennial Farms	Water System	Saxony- Willmor Paving	Total
REVENUES					
Special assessments	\$	\$	\$ 693,426	\$	\$ 693,426
Interest	1,721	344	17,444		19,509
Connection charges			70,062		70,062
Total revenues	1,721	344	780,932		782,997
EXPENDITURES					
Road projects				42,315	42,315
Water			11,606		11,606
Debt service			241,590		241,590
Total expenditures			253,196	42,315	295,511
Excess of revenues over(under) expenditures	1,721	344	527,736	(42,315)	487,486
OTHER FINANCING SOURCES (USES)					
Bond proceeds				810,000	810,000
Transfers (out)	(81,877)				(81,877)
Total other financing sources (uses)	(81,877)			810,000	728,123
Excess of resources (under) expenditures and other financing sources (uses)	(80,156)	344	527,736	767,685	1,215,609
FUND BALANCE, JULY 1, 2005	94,946	8,011	996,804		1,099,761
FUND BALANCE, MARCH 31, 2006	\$ 14,790	\$ 8,355	\$ 1,524,540	\$ 767,685	\$ 2,315,370

GREEN OAK CHARTER TOWNSHIP
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Saxony Water Fund</u>	<u>Centennial Farms Fund</u>	<u>Reick's Farms Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES					
User charges	\$	\$ 31,609	\$ 3,912	\$ 161,394	\$ 196,915
OPERATING EXPENSES					
Water Authority contribution	128,897				128,897
Operating supplies		5,326		6,142	11,468
Contracted service, repairs and maintenance	2,342	21,044	4,989	42,753	71,128
Miscellaneous	6			324	330
Utilities/telephone	28	5,277	115	4,915	10,335
Depreciation/amortization				189,013	189,013
Total operating expenses	<u>131,273</u>	<u>31,647</u>	<u>5,104</u>	<u>243,147</u>	<u>411,171</u>
Operating income (loss)	<u>(131,273)</u>	<u>(38)</u>	<u>(1,192)</u>	<u>(81,753)</u>	<u>(214,256)</u>
NON-OPERATING REVENUES (EXPENSES)					
Other income	50				50
Interest income - operating	2,081	38	126		2,245
Interest income - restricted				72,205	72,205
Interest income - assessments				1,206,863	1,206,863
Loss on asset disposal	(7,659)				(7,659)
Interest expense - bonds				(623,735)	(623,735)
Total non-operating revenues (expenses)	<u>(5,528)</u>	<u>38</u>	<u>126</u>	<u>655,333</u>	<u>649,969</u>
Net income (loss) before capital contributions	<u>(136,801)</u>		<u>(1,066)</u>	<u>573,580</u>	<u>435,713</u>
CAPITAL CONTRIBUTIONS				32,913	32,913
TRANSFER IN				81,877	81,877
Net income (loss)	<u>(136,801)</u>		<u>(1,066)</u>	<u>688,370</u>	<u>550,503</u>
RETAINED EARNINGS, JULY 1, 2005	<u>253,393</u>		<u>18,308</u>	<u>26,904,537</u>	<u>27,176,238</u>
RETAINED EARNINGS, MARCH 31, 2006	<u>\$ 116,592</u>	<u>\$</u>	<u>\$ 17,242</u>	<u>\$ 27,592,907</u>	<u>\$ 27,726,741</u>

GREEN OAK CHARTER TOWNSHIP
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Saxony Water Fund</u>	<u>Centennial Farms Fund</u>	<u>Reick's Farm Fund</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (131,273)	\$ (38)	\$ (1,192)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities			
Operating transfers			
Other income	50		
Depreciation			
Amortization			
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	551		(111)
Decrease in due from other funds			
Increase (decrease) in accounts payable	15,032	(4,937)	
Increase (decrease) in due to other funds	<u>(7,410)</u>	<u>4,404</u>	<u>5,428</u>
Total adjustments	<u>8,223</u>	<u>(533)</u>	<u>5,317</u>
Net cash from (used in) operating activities	<u>(123,050)</u>	<u>(571)</u>	<u>4,125</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of assets			
Connection fees received			
Special assessment collections			
Interest received from assessments			
Interest/fees paid on bonds			
Net cash from (used in) capital and related financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash	<u>2,081</u>	<u>38</u>	<u>126</u>
Net increase (decrease) in cash equivalents	(120,969)	(533)	4,251
CASH AND CASH EQUIVALENTS AT BEGINNING OF NINE MONTHS	<u>130,402</u>	<u>7,453</u>	<u>17,036</u>
CASH AND CASH EQUIVALENTS AT END OF NINE MONTHS	<u>\$ 9,433</u>	<u>\$ 6,920</u>	<u>\$ 21,287</u>

<u>Sewer Fund</u>	<u>Total</u>
\$ <u>(81,753)</u>	\$ <u>(214,256)</u>
81,877	81,877
	50
187,406	187,406
1,607	1,607
(17,062)	(16,622)
(3,144)	(3,144)
(1,261)	8,834
<u>2,328</u>	<u>4,750</u>
<u>251,751</u>	<u>264,758</u>
<u>169,998</u>	<u>50,502</u>
(1,208,225)	(1,208,225)
104,114	104,114
744,152	744,152
1,206,863	1,206,863
<u>(498,660)</u>	<u>(498,660)</u>
<u>348,244</u>	<u>348,244</u>
<u>72,205</u>	<u>74,450</u>
590,447	473,196
<u>4,430,647</u>	<u>4,585,538</u>
\$ <u>5,021,094</u>	\$ <u>5,058,734</u>

INDIVIDUAL FUNDS

GENERAL
FUND

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 1,273,410
State shared revenues receivable	175,179
Delinquent taxes receivable	69,374
Accounts receivable	34,293
Prepaid expenditures	31,327
Due from other funds	<u>146,602</u>

Total assets \$ 1,730,185

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 48,686
Accrued wages, vacation and sick pay	39,360
Due to other funds	<u>12,976</u>

Total liabilities \$ 101,022

FUND BALANCE

1,629,163

Total liabilities and fund balance \$ 1,730,185

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 711,063	\$ 794,648	\$ 83,585
State shared revenues	704,929	714,435	9,506
Clean up grant	1,625	1,888	263
Charges for services	378,660	434,819	56,159
Interest	23,000	31,898	8,898
Reimbursements	24,900	34,084	9,184
Miscellaneous	<u>66,000</u>	<u>76,993</u>	<u>10,993</u>
Total revenues	<u>1,910,177</u>	<u>2,088,765</u>	<u>178,588</u>
EXPENDITURES			
Township board	206,525	219,251	(12,726)
Assessor	218,175	202,666	15,509
Supervisor	136,575	128,291	8,284
Election	63,500	48,458	15,042
Clerk	240,183	235,381	4,802
Treasurer	193,720	165,823	27,897
Township hall and grounds	160,545	127,812	32,733
Crossing guards	6,350	6,240	110
Planning commission	110,075	73,859	36,216
Planning and zoning	117,585	106,486	11,099
Board of review	4,225	3,282	943
Unallocated	126,715	102,592	24,123
Zoning board of appeals	8,075	5,018	3,057
Roads	79,874	73,571	6,303
Cemetery maintenance	21,775	17,483	4,292
Recreation	<u>82,245</u>	<u>71,776</u>	<u>10,469</u>
Total expenditures	<u>1,776,142</u>	<u>1,587,989</u>	<u>188,153</u>
Excess of revenues over (under) expenditures	134,035	500,776	366,741
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000		(100,000)
Transfers (out)	<u>(230,200)</u>	<u>(234,078)</u>	<u>(3,878)</u>
Total other financing sources (uses)	<u>(130,200)</u>	<u>(234,078)</u>	<u>(103,878)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	3,835	266,698	262,863
FUND BALANCE, JULY 1, 2005	<u>1,362,465</u>	<u>1,362,465</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 1,366,300</u>	<u>\$ 1,629,163</u>	<u>\$ 262,863</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TAXES			
Current property tax	\$	\$ 751,535	\$
Penalties and interest		31,258	
Trailer fees		880	
Dog license fees		1,105	
Impact fees		<u>9,870</u>	
Total taxes	<u>711,063</u>	<u>794,648</u>	<u>83,585</u>
STATE SHARED REVENUES	<u>704,929</u>	<u>714,435</u>	<u>9,506</u>
CLEAN UP GRANT	<u>1,625</u>	<u>1,888</u>	<u>263</u>
CHARGES FOR SERVICES			
Property tax administration fees		294,486	
Summer tax collection fees		43,647	
Fines		5,060	
Utility billing		9,493	
Planning commission		44,978	
Board of appeals		3,579	
Split application fees		1,100	
Cemetery		15,726	
Passport services		15,467	
Copies, maps, books, etc.		<u>1,283</u>	
Total charges for services	<u>378,660</u>	<u>434,819</u>	<u>56,159</u>
INTEREST	<u>23,000</u>	<u>31,898</u>	<u>8,898</u>
REIMBURSEMENTS	<u>24,900</u>	<u>34,084</u>	<u>9,184</u>
MISCELLANEOUS			
Franchise fees		70,438	
Miscellaneous		<u>6,555</u>	
Total miscellaneous	<u>66,000</u>	<u>76,993</u>	<u>10,993</u>
Total revenues	<u>\$ 1,910,177</u>	<u>\$ 2,088,765</u>	<u>\$ 178,588</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Meeting fees	\$	\$ 13,569	\$
Other meeting fees		420	
Clerical fees		1,700	
Payroll taxes		1,189	
Pension		1,385	
Office supplies		219	
Legal fees		117,695	
Engineering fees		2,495	
Planning consultant		27,195	
Contracted services		7,080	
Audit		19,000	
Tax chargebacks		6,360	
Dues and schools		13,276	
Printing and publications		5,535	
Miscellaneous		2,050	
Clean up		83	
	<u>206,525</u>	<u>219,251</u>	<u>(12,726)</u>
Total township board			
ASSESSOR			
Salaries		120,222	
Payroll taxes		9,317	
Health insurance		13,698	
Life insurance		1,838	
Pension		9,167	
Rent		14,339	
Legal fees		1,034	
Equipment repair		44	
Office supplies		1,699	
Telephone		1,017	
Contract services		5,176	
Tax bill preparation		6,082	
Dues and schools		4,135	
Mileage		409	
Gasoline and oil		422	
Publications		371	
Miscellaneous		88	
Capital outlay		13,608	
	<u>218,175</u>	<u>202,666</u>	<u>15,509</u>
Total assessor			

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
SUPERVISOR			
Salary		33,105	
Clerical salary		30,669	
Payroll taxes		5,129	
Health insurance		4,724	
Life insurance		904	
Pension		7,725	
Rent		39,431	
Office supplies		1,239	
Legal fees		2,495	
Contracted services		328	
Dues and training		800	
Telephone		696	
Miscellaneous		69	
Capital outlay		977	
	<u> </u>	<u> </u>	<u> </u>
Total supervisor	<u>136,575</u>	<u>128,291</u>	<u>8,284</u>
ELECTION			
Election inspectors		3,011	
Wages		23,847	
Payroll taxes		1,917	
Health insurance		10,467	
Life insurance		365	
Pension		2,440	
Legal fees		71	
Supplies and postage		3,512	
Printing and publications		388	
Contracted services		951	
Telephone		301	
Miscellaneous		2	
Training		1,186	
	<u> </u>	<u> </u>	<u> </u>
Total election	<u>63,500</u>	<u>48,458</u>	<u>15,042</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CLERK			
Salary			
Clerk		37,026	
Clerical		43,487	
Accountant		32,395	
Payroll taxes		8,543	
Health insurance		12,239	
Life insurance		1,930	
Pension		10,489	
Codification		5,209	
Rent		55,562	
Mileage		829	
Office supplies and postage		3,091	
Dues and schools		3,328	
Contracted services		9,599	
Printing and publications		2,123	
Legal fees		8,341	
Telephone		760	
Miscellaneous		430	
	<u> </u>	<u> </u>	<u> </u>
Total clerk	<u>240,183</u>	<u>235,381</u>	<u>4,802</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TREASURER			
Salary			
Treasurer		36,112	
Deputy treasurer		2,018	
Administrative assistant		15,692	
Clerical		18,775	
Other payroll		14,468	
Payroll taxes		7,051	
Health insurance		7,087	
Life insurance		1,459	
Pension		7,727	
Rent		25,092	
Office supplies		3,392	
Legal fees		2,201	
Contracted services		8,903	
Tax bill preparation		10,042	
Dues and schools		1,904	
Postage		1,005	
Telephone		466	
Mileage		1,182	
Small equipment		580	
Miscellaneous		667	
	<u> </u>	<u> </u>	<u> </u>
Total treasurer	<u>193,720</u>	<u>165,823</u>	<u>27,897</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP HALL AND GROUNDS			
Wages		43,609	
Payroll taxes		3,946	
Health insurance		1,238	
Life insurance		864	
Pension		3,821	
Contracted services		4,518	
Cleaning service		12,920	
Well clean up		18,421	
Telephone		3,594	
Gasoline		3,159	
Utilities		12,831	
Supplies		5,124	
Repairs and maintenance		3,520	
Equipment rental		146	
Capital outlay		10,101	
	<u> </u>	<u> </u>	<u> </u>
Total township hall and grounds	<u>160,545</u>	<u>127,812</u>	<u>32,733</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CROSSING GUARDS	<u>6,350</u>	<u>6,240</u>	<u>110</u>
PLANNING COMMISSION			
Wages		10,925	
Payroll taxes		836	
Office supplies and postage		954	
Legal fees		2,085	
Contracted services		1,245	
Engineering fees		23,810	
Planning consultant		31,924	
Publications		1,825	
Miscellaneous		<u>255</u>	
Total planning commission	<u>110,075</u>	<u>73,859</u>	<u>36,216</u>
BOARD OF REVIEW			
Per diem		1,680	
Payroll taxes		129	
Publications		1,454	
Mileage		<u>19</u>	
Total board of review	<u>4,225</u>	<u>3,282</u>	<u>943</u>
UNALLOCATED			
Wages		928	
Health insurance		1,248	
Pension		2,062	
Office supplies		6,232	
Telephone		867	
Contracted services		16,330	
Insurance		48,659	
Equipment leasing		20,530	
Newsletter		5,638	
Miscellaneous		<u>98</u>	
Total unallocated	<u>126,715</u>	<u>102,592</u>	<u>24,123</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PLANNING AND ZONING			
Wages		60,208	
Payroll taxes		4,651	
Life insurance		723	
Pension		5,169	
Office supplies		2,291	
Legal fees		13,030	
Contracted services		323	
Dues and schools		1,161	
Telephone		595	
Mileage		178	
Gas and oil		764	
Publications		1,297	
Repairs and maintenance		385	
Rent		8,962	
Miscellaneous		103	
Capital outlay		6,646	
	<u> </u>	<u> </u>	<u> </u>
Total planning and zoning	<u>117,585</u>	<u>106,486</u>	<u>11,099</u>
ZONING BOARD OF APPEALS			
Per diems		2,825	
Payroll taxes		216	
Legal fees		1,977	
	<u> </u>	<u> </u>	<u> </u>
Total board of appeals	<u>8,075</u>	<u>5,018</u>	<u>3,057</u>
ROADS			
Contracted services		49,068	
Debt payments - principal		19,239	
Debt payments - interest		5,264	
	<u> </u>	<u> </u>	<u> </u>
Total roads	<u>79,874</u>	<u>73,571</u>	<u>6,303</u>

GREEN OAK CHARTER TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CEMETERY MAINTENANCE			
Legal fees		24	
Contracted services		16,948	
Small equipment/supplies		511	
Total cemetery maintenance	<u>21,775</u>	<u>17,483</u>	<u>4,292</u>
RECREATION	<u>82,245</u>	<u>71,776</u>	<u>10,469</u>
Total expenditures	<u>\$ 1,776,142</u>	<u>\$ 1,587,989</u>	<u>\$ 188,153</u>

BUILDING
DEPARTMENT
FUND

GREEN OAK CHARTER TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 497,334
Prepaid insurance	<u>15,786</u>

Total assets		<u>\$ 513,120</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 3,850
Accrued wages, vacation and sick pay	<u>12,272</u>

Total liabilities		\$ 16,122
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FUND BALANCE

	<u>496,998</u>
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Total liabilities and fund balance		<u>\$ 513,120</u>
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GREEN OAK CHARTER TOWNSHIP
BUILDING DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Permits, licenses, and fees	\$	\$ 363,629	\$
Sale of copies, maps		122	
Sale of assets		10,525	
Interest income		<u>8,793</u>	
Total revenues	<u>571,200</u>	<u>383,069</u>	<u>(188,131)</u>
EXPENDITURES			
Salaries		123,435	
Payroll taxes		9,410	
Health insurance		27,067	
Life insurance		2,199	
Pension		11,724	
Office supplies		791	
Postage		193	
Legal fees		124	
Contracted services		4,632	
Contract labor		69,232	
Membership dues		300	
Schools and seminars		150	
Telephone		2,219	
Utilities		3,070	
Gas and oil		2,249	
Publications		180	
General liability insurance		47,587	
Repairs and maintenance		759	
Rent expense		35,846	
Miscellaneous		397	
Equipment/lease		4,116	
Miss Dig fees		5,477	
Administrative fees		<u>15,000</u>	
Total expenditures	<u>537,307</u>	<u>366,157</u>	<u>171,150</u>
Excess of revenues over (under) expenditures	33,893	16,912	(16,981)
FUND BALANCE, JULY 1, 2005	<u>480,086</u>	<u>480,086</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 513,979</u>	<u>\$ 496,998</u>	<u>\$ (16,981)</u>

CEMETERY
PERPETUAL CARE
FUND

GREEN OAK CHARTER TOWNSHIP
CEMETERY PERPETUAL CARE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS
Cash

\$ 4,352

FUND BALANCE

FUND BALANCE

\$ 4,352

GREEN OAK CHARTER TOWNSHIP
CEMETERY PERPETUAL CARE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Interest	\$ 4
EXPENDITURES	<u> </u>
Excess of revenue over (under) expenditures	4
OTHER FINANCING SOURCES	
Transfers in	<u>3,878</u>
Excess of Revenues over (under) expenditures and other financing sources	3,882
FUND BALANCE JULY 1, 2005	<u>470</u>
FUND BALANCE, MARCH 31, 2006	<u><u>\$ 4,352</u></u>

FIRE
FUND

GREEN OAK CHARTER TOWNSHIP
FIRE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 648,715
Taxes receivable	94,172
Due from other funds	2,137
Prepaid expenditures	<u>11,260</u>

Total assets		\$ <u>756,284</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 5,274
Accrued wages, vacation and sick pay	39,367
Due to other funds	<u>390</u>

Total liabilities		\$ 45,031
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FUND BALANCE

711,253

Total liabilities and fund balance		\$ <u>756,284</u>
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GREEN OAK CHARTER TOWNSHIP
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,225,537	\$
EMS grant		2,460	
Donations		100	
Interest		8,413	
Charges for services		<u>12,616</u>	
Total revenues	1,221,440	1,249,126	27,686
EXPENDITURES	<u>620,547</u>	<u>580,195</u>	<u>40,352</u>
Excess of revenues over (under) expenditures	600,893	668,931	68,038
OTHER FINANCING (USES)			
Transfers (out)	<u>(439,109)</u>	<u>(439,109)</u>	
Excess of revenues over (under) expenditures and other financing (uses)	161,784	229,822	68,038
FUND BALANCE, JULY 1, 2005	<u>481,431</u>	<u>481,431</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 643,215</u>	<u>\$ 711,253</u>	<u>\$ 68,038</u>

GREEN OAK CHARTER TOWNSHIP
FIRE FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Wages - chief	\$	\$ 34,418	\$
Wages - deputy		31,829	
Wages - clerical		22,268	
Wages - fire inspector		30,035	
Wages - vacation payout		38,304	
Wages - firemen		131,757	
Payroll taxes		23,498	
Health insurance		29,528	
Life and disability insurance		2,276	
Pension		15,574	
Tax chargebacks		190	
Office supplies		2,580	
Contracted services		18,075	
Dues		4,660	
Schools and training		12,902	
Telephone		6,473	
Radio maintenance		2,440	
Contract reimbursement		998	
Gasoline and oil		17,590	
Publications		394	
General insurance		34,187	
Fuel and heat		9,021	
Electricity		7,836	
Operating supplies		11,228	
Maintenance supplies		2,237	
Lawn and snow maintenance		2,440	
Building repairs		5,194	
Operational equipment repair		5,683	
Vehicle repairs		28,986	
Mileage		267	
Uniforms		9,149	
EMS grant expense		2,452	
Medical supplies		4,740	
Miscellaneous		3,642	
Sewer assessment		1,240	
Cleaning services		2,700	
Equipment rental		3,486	
Small equipment		19,918	
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 620,547</u>	<u>\$ 580,195</u>	<u>\$ 40,352</u>

SPECIAL FIRE
CAPITAL
FUND

GREEN OAK CHARTER TOWNSHIP
SPECIAL FIRE CAPITAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Interest income	\$ <u>7</u>
EXPENDITURES	
Small equipment	<u> </u>
Excess of revenues over (under) expenditures	 7
OTHER FINANCING (USES)	
Transfers (out)	<u>(3,467)</u>
Excess of revenues over (under) expenditures and other financing (uses)	 (3,460)
FUND BALANCE, JULY 1, 2005	<u>3,460</u>
FUND BALANCE, MARCH 31, 2006	<u><u>\$</u></u>

FIRE CAPITAL VEHICLE
AND EQUIPMENT
FUND

GREEN OAK CHARTER TOWNSHIP
FIRE CAPITAL VEHICLE AND EQUIPMENT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 651,744

FUND BALANCE

FUND BALANCE

\$ 651,744

GREEN OAK CHARTER TOWNSHIP
FIRE CAPITAL VEHICLE AND EQUIPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Sale of assets	\$	\$ 11,500	\$
Interest income		<u>4,432</u>	
Total revenues	6,000	15,932	9,932
EXPENDITURES			
Capital outlay	<u>384,925</u>	<u>89,327</u>	<u>295,598</u>
Excess of revenues over (under) expenditures	(378,925)	(73,395)	305,530
OTHER FINANCING SOURCES			
Transfer in	<u>444,209</u>	<u>447,676</u>	<u>3,467</u>
Excess of revenues over (under) expenditures and other financing sources	65,284	374,281	308,997
FUND BALANCE, JULY 1, 2005	<u>277,463</u>	<u>277,463</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 342,747</u>	<u>\$ 651,744</u>	<u>\$ 308,997</u>

SPECIAL
POLICE
FUND

GREEN OAK CHARTER TOWNSHIP
SPECIAL POLICE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 598,763
Taxes receivable	106,114
Due from other funds	2,278
Prepaid expenditures	<u>25,890</u>

Total assets		\$ <u>733,045</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 21,079
Accrued wages, vacation and sick pay	146,886
Due to other funds	<u>203</u>

Total liabilities		\$ 168,168
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FUND BALANCE

564,877

Total liabilities and fund balance		\$ <u>733,045</u>
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GREEN OAK CHARTER TOWNSHIP
SPECIAL POLICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,307,044	\$
Liquor license fees		6,401	
Michigan training grant		1,430	
Fines		12,828	
Service fees		80	
Copies		2,743	
Interest		1,973	
Cost recovery		17,005	
Vehicle inspections		400	
Other revenues		<u>910</u>	
Total revenues	1,336,676	1,350,814	14,138
EXPENDITURES	<u>1,136,638</u>	<u>1,080,446</u>	<u>56,192</u>
Excess of revenues over (under) expenditures	200,038	270,368	70,330
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	200,000	
Transfers (out)	<u>(12,000)</u>	<u>(12,000)</u>	
Total other financing sources (uses)	<u>188,000</u>	<u>188,000</u>	
Excess of revenues over (under) expenditures and other financing sources (uses)	388,038	458,368	70,330
FUND BALANCE, JULY 1, 2005	<u>106,509</u>	<u>106,509</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 494,547</u>	<u>\$ 564,877</u>	<u>\$ 70,330</u>

GREEN OAK CHARTER TOWNSHIP
SPECIAL POLICE FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$	\$ 633,277	\$
Payroll taxes		48,446	
Health insurance		120,654	
Life and disability insurance		7,359	
Pension		55,688	
Office supplies and postage		3,930	
Uniforms		10,439	
Legal fees		9,501	
Contracted services		11,781	
Tax chargebacks		203	
Dues		335	
Training		7,536	
Lawnnet contribution		3,000	
Cleaning service		4,500	
Telephone		5,347	
Repairs and maintenance		22,736	
Mileage		68	
Gasoline and oil		29,911	
Printing and publications		311	
General liability insurance		79,394	
Fuel and heat		2,711	
Electricity		5,173	
Operating supplies		8,245	
Miscellaneous		996	
Small equipment		3,420	
Equipment rental		5,485	
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 1,136,638</u>	<u>\$ 1,080,446</u>	<u>\$ 56,192</u>

POLICE DEPARTMENT
CAPITAL VEHICLE
AND
EQUIPMENT FUND

GREEN OAK CHARTER TOWNSHIP
POLICE DEPARTMENT CAPITAL VEHICLE AND EQUIPMENT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 273,653

FUND BALANCE

FUND BALANCE

\$ 273,653

GREEN OAK CHARTER TOWNSHIP
POLICE DEPARTMENT CAPITAL VEHICLE AND EQUIPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest income	\$ 2,400	\$ 4,749	\$ 2,349
EXPENDITURES			
Capital outlay	<u>54,000</u>	<u>3,516</u>	<u>50,484</u>
Excess of revenues over (under) expenditures	(51,600)	1,233	52,833
OTHER FINANCING SOURCES			
Transfers in	<u>5,100</u>	<u>5,100</u>	
Excess of revenues over (under) expenditures and other financing sources	(46,500)	6,333	52,833
FUND BALANCE, JULY 1, 2005	<u>267,320</u>	<u>267,320</u>	
FUND BALANCE, MARCH 31, 2006	<u><u>\$ 220,820</u></u>	<u><u>\$ 273,653</u></u>	<u><u>\$ 52,833</u></u>

POLICE
SPECIAL
INVESTIGATION
FUND

GREEN OAK CHARTER TOWNSHIP
POLICE SPECIAL INVESTIGATION FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 13,678

FUND BALANCE

FUND BALANCE

\$ 13,678

GREEN OAK CHARTER TOWNSHIP
POLICE SPECIAL INVESTIGATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Interest	\$ 70
EXPENDITURES	<hr/>
Excess of revenues over (under) expenditures	70
FUND BALANCE, JULY 1, 2005	<hr/> 13,608
FUND BALANCE, MARCH 31, 2006	<u><u>\$ 13,678</u></u>

POLICE
RETIREE
HEALTH CARE
FUND

GREEN OAK CHARTER TOWNSHIP
POLICE RETIREE HEALTH CARE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS
Cash

\$ 11,996

FUND BALANCE

FUND BALANCE

\$ 11,996

GREEN OAK CHARTER TOWNSHIP
POLICE RETIREE HEALTH CARE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Interest	\$ 12
EXPENDITURES	
Miscellaneous	<u>16</u>
Excess of revenues over (under) expenditures	(4)
OTHER FINANCING SOURCES	
Transfers in	<u>12,000</u>
Excess of revenues over (under) expenditures other financing sources	11,996
FUND BALANCE, JULY 1, 2005	<u> </u>
FUND BALANCE, MARCH 31, 2006	<u><u>\$ 11,996</u></u>

BUDGET
STABILIZATION
FUND

GREEN OAK CHARTER TOWNSHIP
BUDGET STABILIZATION FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 298,361

FUND BALANCE

FUND BALANCE

\$ 298,361

GREEN OAK CHARTER TOWNSHIP
BUDGET STABILIZATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 3,072	\$ 5,244	\$ 2,172
EXPENDITURES	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over (under) expenditures	3,072	5,244	2,172
FUND BALANCE, JULY 1, 2005	<u>293,117</u>	<u>293,117</u>	<u> </u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 296,189</u>	<u>\$ 298,361</u>	<u>\$ 2,172</u>

STORM WATER
FUND

GREEN OAK CHARTER TOWNSHIP
STORM WATER FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS
Cash

\$ 18,861

LIABILITIES AND FUND BALANCE

LIABILITIES
Accounts payable

\$ 190

FUND BALANCE

18,671

Total liabilities and fund balance

\$ 18,861

GREEN OAK CHARTER TOWNSHIP
STORM WATER FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES	\$	\$ 113	\$ 113
Interest			
EXPENDITURES			
Project costs	<u>10,785</u>	<u>9,248</u>	<u>1,537</u>
Excess of revenues over (under) expenditures	(10,785)	(9,135)	1,650
OTHER FINANCING SOURCES			
Transfers in	<u>15,000</u>	<u>20,000</u>	<u>5,000</u>
Excess of revenues over (under) expenditures and other financing sources	4,215	10,865	6,650
FUND BALANCE, JULY 1, 2005	<u>7,806</u>	<u>7,806</u>	<u></u>
FUND BALANCE, MARCH 31, 2006	<u><u>\$ 12,021</u></u>	<u><u>\$ 18,671</u></u>	<u><u>\$ 6,650</u></u>

ROAD
IMPROVEMENT
FUND

GREEN OAK CHARTER TOWNSHIP
ROAD IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 507,091

FUND BALANCE

FUND BALANCE

\$ 507,091

GREEN OAK CHARTER TOWNSHIP
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES

Project reimbursements	\$ 50,000
Interest	<u>12,078</u>

Total revenues	62,078
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EXPENDITURES

Capital outlay	<u> </u>
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Excess of revenues over (under) expenditures	62,078
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FUND BALANCE, JULY 1, 2005	<u>445,013</u>
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FUND BALANCE, MARCH 31, 2006	<u><u>\$ 507,091</u></u>
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LAND
DEVELOPMENT
FUND

GREEN OAK CHARTER TOWNSHIP
LAND DEVELOPMENT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS
Cash

\$ 20,604

FUND BALANCE

FUND BALANCE

\$ 20,604

GREEN OAK CHARTER TOWNSHIP
LAND DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Interest	\$ 146
EXPENDITURES	<hr/>
Excess of revenues over (under) expenditures	146
FUND BALANCE, JULY 1, 2005	<hr/> 20,458
FUND BALANCE, MARCH 31, 2006	<hr/> <hr/> \$ 20,604

CENTENNIAL FARMS ARSENIC
IMPROVEMENT
FUND

GREEN OAK CHARTER TOWNSHIP
CENTENNIAL FARMS ARSENIC IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 3,468
Accounts receivable	<u>38,887</u>

Total assets	<u>\$ 42,355</u>
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LIABILITIES

LIABILITIES

Accounts payable	\$ 425
Due to other funds	<u>41,930</u>

Total liabilities	<u>\$ 42,355</u>
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GREEN OAK CHARTER TOWNSHIP
CENTENNIAL FARMS ARSENIC IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES

Project reimbursements	\$ 23,725	
Interest income	<u>57</u>	
 Total revenues		 \$ 23,782

EXPENDITURES

Project costs		<u>23,782</u>
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Excess of revenues over (under) expenditures

FUND BALANCE, JULY 1, 2005		<u> </u>
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FUND BALANCE, MARCH 31, 2006		<u><u>\$ </u></u>
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RIVERSIDE DRIVE
ROAD MAINTENANCE
FUND

GREEN OAK CHARTER TOWNSHIP
RIVERSIDE DRIVE - ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 6,847

Assessment receivable

4

Total assets

\$ 6,851

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 1,600

FUND BALANCE

5,251

Total liabilities and fund balance

\$ 6,851

GREEN OAK CHARTER TOWNSHIP
RIVERSIDE DRIVE - ROAD MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES		
Special assessments	\$	5,126
Interest		<u>15</u>
Total revenues		5,141
EXPENDITURES		
Road project costs		<u>1,980</u>
Excess of revenues over (under) expenditures		3,161
FUND BALANCE, JULY 1, 2005		<u>2,090</u>
FUND BALANCE, MARCH 31, 2006	\$	<u><u>5,251</u></u>

STREET LIGHT
FUND

GREEN OAK CHARTER TOWNSHIP
STREET LIGHT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 8,972

Assessment receivable

7,391

Total assets

\$ 16,363

FUND BALANCE

FUND BALANCE

\$ 16,363

GREEN OAK CHARTER TOWNSHIP
STREET LIGHT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$	\$ 19	\$
Special assessments		11,490	
Interest		<u>22</u>	
Total revenues	6,102	11,531	5,429
EXPENDITURES			
Utilities	<u>5,900</u>	<u>6,765</u>	<u>(865)</u>
Excess of revenues over (under) expenditures	202	4,766	4,564
FUND BALANCE, JULY 1, 2005	<u>11,597</u>	<u>11,597</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 11,799</u>	<u>\$ 16,363</u>	<u>\$ 4,564</u>

METRO ACT
FUND

GREEN OAK CHARTER TOWNSHIP
METRO ACT FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS
Cash

\$ 28,416

FUND BALANCE

FUND BALANCE

\$ 28,416

GREEN OAK CHARTER TOWNSHIP
METRO ACT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Maintenance fee	\$	\$	\$
Interest income		<u>235</u>	
Total revenues	13,000	235	(12,765)
EXPENDITURES			
Excess of revenues over (under) expenditures	13,000	235	(12,765)
FUND BALANCE, JULY 1, 2005	<u>28,181</u>	<u>28,181</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 41,181</u>	<u>\$ 28,416</u>	<u>\$ (12,765)</u>

DAVIS CREEK
DREDGING
FUND

GREEN OAK CHARTER TOWNSHIP
DAVIS CREEK DREDGING FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 19,246

Accounts receivable - residents

2,662

Total assets

\$ 21,908

LIABILITIES

LIABILITIES

Due to other funds

\$ 21,908

GREEN OAK CHARTER TOWNSHIP
DAVIS CREEK DREDGING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES

Project reimbursements	\$ 2,662
Interest income	<u>53</u>

Total revenues	2,715
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EXPENDITURES

Project costs	<u>2,715</u>
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Excess of revenues over (under) expenditures

FUND BALANCE, JULY 1, 2005	<u> </u>
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FUND BALANCE, MARCH 31, 2006	<u><u>\$ </u></u>
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VIKING LANE
DEBT SERVICE
FUND

GREEN OAK CHARTER TOWNSHIP
VIKING LANE DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 17,194
Special assessment receivable - current	<u>439</u>

Total assets		<u>\$ 17,633</u>
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FUND BALANCE

FUND BALANCE - DESIGNATED FOR DEBT SERVICE	<u>\$ 17,633</u>
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GREEN OAK CHARTER TOWNSHIP
VIKING LANE DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$	\$ 5,500	\$
Interest		<u>426</u>	
Total revenues	17,140	5,926	(11,214)
EXPENDITURES			
Debt service - interest	<u>22,077</u>	<u>208</u>	<u>21,869</u>
Excess of revenues over (under) expenditures	(4,937)	5,718	10,655
FUND BALANCE, JULY 1, 2005	<u>11,915</u>	<u>11,915</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 6,978</u>	<u>\$ 17,633</u>	<u>\$ 10,655</u>

PHEASANT LAKE
DEBT SERVICE
FUND

GREEN OAK CHARTER TOWNSHIP
PHEASANT LAKE DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 43,938
Special assessment receivable	
Current	12,872
Deferred	<u>58,787</u>

Total assets		\$ <u>115,597</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 300
Due to other funds	6,120
Deferred revenues	<u>70,615</u>

Total liabilities		\$ 77,035
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FUND BALANCE - DESIGNATED FOR DEBT SERVICE		<u>38,562</u>
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Total liabilities and fund balance		\$ <u>115,597</u>
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GREEN OAK CHARTER TOWNSHIP
PHEASANT LAKE DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 18,080	\$
Interest		<u>464</u>	
Total revenues	<u>17,140</u>	<u>18,544</u>	<u>1,404</u>
EXPENDITURES			
Administrative		300	
Debt service - principal		15,000	
Debt service - interest		<u>5,975</u>	
Total expenditures	<u>22,077</u>	<u>21,275</u>	<u>802</u>
Excess of revenues over (under) expenditures	(4,937)	(2,731)	2,206
FUND BALANCE, JULY 1, 2005	<u>41,293</u>	<u>41,293</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 36,356</u>	<u>\$ 38,562</u>	<u>\$ 2,206</u>

BUILDING AUTHORITY
DEBT SERVICE
FUND

GREEN OAK CHARTER TOWNSHIP
BUILDING AUTHORITY DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS
Cash

\$ 6,669

FUND BALANCE

FUND BALANCE - DESIGNATED FOR DEBT SERVICE

\$ 6,669

GREEN OAK CHARTER TOWNSHIP
BUILDING AUTHORITY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Rental income	\$	\$ 179,231	\$
Interest income		<u>212</u>	
Total revenues	<u>183,228</u>	<u>179,443</u>	<u>(3,785)</u>
EXPENDITURES			
Debt service - principal		85,000	
Debt service - interest		94,231	
Debt service - fees		<u>575</u>	
Total expenditures	<u>183,100</u>	<u>179,806</u>	<u>3,294</u>
Excess of revenues over (under) expenditures	128	(363)	(491)
FUND BALANCE, JULY 1, 2005	<u>7,032</u>	<u>7,032</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 7,160</u>	<u>\$ 6,669</u>	<u>\$ (491)</u>

SAXONY-WILLMOR
PAVING
DEBT SERVICE FUND

GREEN OAK CHARTER TOWNSHIP
SAXONY-WILLMOR PAVING DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 859,202
Special assessment receivable	720,684
Due from other funds	<u>12,658</u>

Total assets		<u>\$ 1,592,544</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 767,685
Deferred revenues	<u>713,813</u>

Total liabilities		\$ 1,481,498
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FUND BALANCE - DESIGNATED FOR DEBT SERVICE		<u>111,046</u>
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Total liabilities and fund balance		<u>\$ 1,592,544</u>
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GREEN OAK CHARTER TOWNSHIP
SAXONY - WILLMOR PAVING DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Special assessments	\$ 103,362
Interest	<u>7,684</u>
Total revenues	111,046
EXPENDITURES	<u> </u>
Excess of revenues over (under) expenditures	111,046
FUND BALANCE, JULY 1, 2005	<u> </u>
FUND BALANCE, MARCH 31, 2006	<u><u>\$ 111,046</u></u>

SEWER
IMPROVEMENT
CAPITAL PROJECTS FUND

GREEN OAK CHARTER TOWNSHIP
SEWER IMPROVEMENT
CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 14,790

FUND BALANCE

FUND BALANCE

\$ 14,790

GREEN OAK CHARTER TOWNSHIP
SEWER IMPROVEMENT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Interest	\$ 1,721
EXPENDITURES	<u> </u>
Excess of revenues over (under) expenditures	1,721
OTHER FINANCING (USES)	
Transfers (out)	<u>(81,877)</u>
Excess of revenues over (under) expenditures and other financing (uses)	(80,156)
FUND BALANCE, JULY 1, 2005	<u>94,946</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 14,790</u>

CENTENNIAL FARMS
CAPITAL PROJECTS
FUND

GREEN OAK CHARTER TOWNSHIP
CENTENNIAL FARMS CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 48,592

LIABILITIES AND FUND BALANCE

LIABILITIES

Deposits from customers

\$ 40,237

FUND BALANCE

8,355

Total liabilities and fund balance

\$ 48,592

GREEN OAK CHARTER TOWNSHIP
CENTENNIAL FARMS CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	
Interest	\$ 344
EXPENDITURES	<hr/>
Excess of revenues over (under) expenditures	344
FUND BALANCE JULY 1, 2005	<hr/> 8,011
FUND BALANCE, MARCH 31, 2006	<u><u>\$ 8,355</u></u>

WATER SYSTEM
CAPITAL PROJECTS
FUND

GREEN OAK CHARTER TOWNSHIP
WATER SYSTEM CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,335,027
Special assessments receivable	<u>5,909,770</u>

Total assets		<u>\$ 7,244,797</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 2,813
Deferred revenues	<u>5,717,444</u>

Total liabilities		\$ 5,720,257
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FUND BALANCE

		<u>1,524,540</u>
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Total liabilities and fund balance		<u>\$ 7,244,797</u>
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GREEN OAK CHARTER TOWNSHIP
WATER SYSTEM CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES

Special assessments	\$ 693,426	
Interest	17,444	
Connection charges	69,629	
Miscellaneous	<u>433</u>	
Total revenues		\$ 780,932

EXPENDITURES

Water system project costs	11,606	
Debt service		
Principal	70,000	
Interest	171,340	
Fees	<u>250</u>	
Total expenditures		<u>253,196</u>

Excess of revenues over (under) expenditures	527,736
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FUND BALANCE, JULY 1, 2005	<u>996,804</u>
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FUND BALANCE, MARCH 31, 2006	<u><u>\$ 1,524,540</u></u>
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SAXONY-WILLMOR
PAVING
CAPITAL PROJECTS FUND

GREEN OAK CHARTER TOWNSHIP
SAXONY - WILLMOR PAVING CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Due from other funds

\$ 767,685

FUND BALANCE

FUND BALANCE

\$ 767,685

GREEN OAK CHARTER TOWNSHIP
SAXONY - WILLMOR CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDED MARCH 31, 2006

REVENUES	\$
EXPENDITURES	
Project costs	<u>42,315</u>
Excess of revenues over (under) expenditures	(42,315)
OTHER FINANCING SOURCES	
Bond proceeds	<u>810,000</u>
Excess of revenues over (under) expenditures and other financing sources	767,685
FUND BALANCE, JULY 1, 2005	<u> </u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 767,685</u>

SAXONY
WATER
FUND

GREEN OAK CHARTER TOWNSHIP
SAXONY WATER FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

CURRENT ASSETS

Cash \$ 9,433

PROPERTY AND EQUIPMENT

Land 123,000

Total assets \$ 132,433

LIABILITIES AND FUND EQUITY

LIABILITIES \$ 15,841

FUND EQUITY

Retained earnings 116,592

Total liabilities and fund equity \$ 132,433

GREEN OAK CHARTER TOWNSHIP
SAXONY WATER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

OPERATING REVENUES		\$
OPERATING EXPENSES		
Engineering	\$ 1,069	
Contract services	1,273	
Water Authority contribution	128,897	
Telephone	28	
Miscellaneous	<u>6</u>	
Total operating expenses		<u>(131,273)</u>
Operating (loss)		(131,273)
NON-OPERATING REVENUE (EXPENSE)		
Loss on disposal of assets	(7,659)	
Other income	50	
Interest income	<u>2,081</u>	
Total non-operating revenue		<u>(5,528)</u>
Net (loss)		(136,801)
RETAINED EARNINGS, JULY 1, 2005		<u>253,393</u>
RETAINED EARNINGS, MARCH 31, 2006		<u><u>\$ 116,592</u></u>

GREEN OAK CHARTER TOWNSHIP
SAXONY WATER FUND
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)		\$ (131,273)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Other income	\$ 50	
Decrease in accounts receivable	551	
Increase in accounts payable	15,032	
(Decrease) in due to other funds	<u>(7,410)</u>	
Total adjustments		<u>8,223</u>
Net cash (used in) operating activities		(123,050)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash		<u>2,081</u>
Net (decrease) in cash and cash equivalents		(120,969)

CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>130,402</u>
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CASH AND CASH EQUIVALENTS AT MARCH 31, 2006	<u><u>\$ 9,433</u></u>
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CENTENNIAL
FARMS
FUND

GREEN OAK CHARTER TOWNSHIP
CENTENNIAL FARMS FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 6,920

LIABILITIES

LIABILITIES

Accounts payable

\$ 2,516

Due to other funds

4,404

Total liabilities

\$ 6,920

GREEN OAK CHARTER TOWNSHIP
CENTENNIAL FARMS FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

OPERATING REVENUES		
Charges to contractor		\$ 31,609
OPERATING EXPENSES		
Engineering	\$ 7,999	
Contracted services	10,125	
Utilities	4,951	
Operating supplies	2,624	
Repairs and maintenance	2,920	
Licenses and permits	613	
Telephone	326	
Small equipment	<u>2,089</u>	
Total operating expenses		<u>31,647</u>
Operating (loss)		(38)
NON-OPERATING REVENUE		
Interest income		<u>38</u>
Net income		
RETAINED EARNINGS, JULY 1, 2005		<u> </u>
RETAINED EARNINGS, MARCH 31, 2006		<u><u>\$ </u></u>

GREEN OAK CHARTER TOWNSHIP
CENTENNIAL FARMS FUND
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)	\$ (38)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities	
(Decrease) in accounts payable	(4,937)
Increase in due to other funds	<u>4,404</u>
Total adjustments	<u>(533)</u>
Net cash (used in) operating activities	(571)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash	<u>38</u>
Net (decrease) in cash and cash equivalents	(533)

CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>7,453</u>
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CASH AND CASH EQUIVALENTS AT MARCH 31, 2006	<u><u>\$ 6,920</u></u>
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REICK'S FARMS
FUND

GREEN OAK CHARTER TOWNSHIP
REICK'S FARMS FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 21,287
Accounts receivable	<u>1,658</u>

Total assets		<u>\$ 22,945</u>
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LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 275
Due to other funds	<u>5,428</u>

Total liabilities		\$ 5,703
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FUND EQUITY

Retained earnings	<u>17,242</u>
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Total liabilities and fund equity		<u>\$ 22,945</u>
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GREEN OAK CHARTER TOWNSHIP
REICK'S FARMS FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

OPERATING REVENUES		
Sewer billing		\$ 3,912
OPERATING EXPENSES		
Contract services	\$ 3,745	
Utilities	115	
Repairs and maintenance	<u>1,244</u>	
Total operating expenses		<u>5,104</u>
Operating (loss)		(1,192)
NON-OPERATING REVENUES		
Interest income		<u>126</u>
Net (loss)		(1,066)
RETAINED EARNINGS, JULY 1, 2005		<u>18,308</u>
RETAINED EARNINGS, MARCH 31, 2006		<u>\$ 17,242</u>

GREEN OAK CHARTER TOWNSHIP
REICK'S FARM FUND
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Operating (loss)	\$ (1,192)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities	
(Increase) in accounts receivable	\$ (111)
Increase in due to other funds	<u>5,428</u>
Total adjustments	<u>5,317</u>
Net cash from operating activities	4,125
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	<u>126</u>
Net increase in cash and cash equivalents	4,251
CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>17,036</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2006	<u><u>\$ 21,287</u></u>

SEWER
FUND

GREEN OAK CHARTER TOWNSHIP
SEWER FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 869,866
Accounts receivable - operations	69,003
Due from county	602,717
Due from other funds	<u>20,945</u>

Total current assets \$ 1,562,531

RESTRICTED ASSETS

Cash and cash equivalents - capital	\$ 642,830
Cash and cash equivalents - debt service	3,508,398
Special assessments receivable	<u>20,734,348</u>

Total restricted assets 24,885,576

PROPERTY AND EQUIPMENT

Land	2,770,301
Equipment	1,267
Sewer system	10,487,912
Construction in progress	12,540,767
Less: accumulated depreciation	<u>(1,230,894)</u>

Net property and equipment 24,569,353

OTHER ASSTS

Bond discount, net	<u>91,233</u>
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Total assets \$ 51,108,693

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Due to other funds	\$ 2,328
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CURRENT LIABILITIES (from restricted assets)

Special assessment bonds payable	\$ 959,700
Accrued interest	<u>208,458</u>

Total current liabilities
(from restricted assets) 1,168,158

LONG-TERM LIABILITY (from restricted assets)

Special assessment bonds payable - less current portion	<u>22,345,300</u>
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Total liabilities 23,515,786

FUND EQUITY

Retained earnings - reserved	<u>27,592,907</u>
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Total liabilities and fund equity \$ 51,108,693

GREEN OAK CHARTER TOWNSHIP
SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

OPERATING REVENUES		
User charges		\$ 161,394
OPERATING EXPENSES		
Contract labor - operations	41,158	
Legal fees	162	
Telephone	64	
Utilities	4,851	
Supplies	2,492	
Repairs and maintenance	1,433	
Depreciation	187,406	
Amortization	1,607	
Permit fees	3,650	
Miscellaneous	<u>324</u>	
Total operating expenses		<u>243,147</u>
Operating (loss)		(81,753)
NON-OPERATING REVENUE AND EXPENSES		
Interest income - cash	72,205	
Interest income - assessments	1,206,863	
Interest expense - bonds	<u>(623,735)</u>	
Total non-operating revenues		<u>655,333</u>
Net income before capital contributions		573,580
CAPITAL CONTRIBUTIONS (REFUNDS)		
Special assessment (refunds)	(71,201)	
Connection fees	<u>104,114</u>	
Total capital contributions		32,913
OPERATING TRANSFER IN		<u>81,877</u>
Net income		688,370
RETAINED EARNINGS, JULY 1, 2005		<u>26,904,537</u>
RETAINED EARNINGS, MARCH 31, 2006		<u><u>\$ 27,592,907</u></u>

GREEN OAK CHARTER TOWNSHIP
SEWER FUND
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)		\$ (81,753)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Transfer in	\$ 81,877	
Depreciation	187,406	
Amortization	1,607	
(Increase) in accounts receivable	(17,062)	
(Increase) in due from other funds	(3,144)	
(Decrease) in accounts payable	(1,261)	
Increase in due to other funds	<u>2,328</u>	
Total adjustments		<u>251,751</u>
Net cash from operating activities		169,998

CASH FLOWS FROM (USED IN) CAPITAL AND RELATED
FINANCING ACTIVITIES

Acquisitions of assets	(1,208,225)	
Connection fees received	104,114	
Special assessment collections	744,152	
Interest received from assessments	1,206,863	
Interest/fees paid on bonds	<u>(498,660)</u>	
Net cash from capital and related financing activities		348,244

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and equivalents		<u>72,205</u>
Net increase in cash and cash equivalents		590,447

CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>4,430,647</u>
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CASH AND CASH EQUIVALENTS AT MARCH 31, 2006	<u>\$ 5,021,094</u>
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CURRENT
TAX
COLLECTION
FUND

GREEN OAK CHARTER TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 97,676
Due from others	<u>7,519</u>

Total assets

\$105,195

LIABILITIES

LIABILITIES

Due to other funds	\$ 85,227
Due to others	<u>19,968</u>

Total liabilities

\$105,195

TRUST
AND
AGENCY
FUND

GREEN OAK CHARTER TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 92,904
Certificate of deposit	153,921
Due from others	55,039
Due from other funds	<u>17,069</u>

Total assets		<u>\$ 318,933</u>
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LIABILITIES

LIABILITIES

Due to other funds	\$ 2,121
Due to others	<u>316,812</u>

Total liabilities		<u>\$ 318,933</u>
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GREEN OAK CHARTER TOWNSHIP

COMMENTS
AND
RECOMMENDATIONS

FOR THE NINE MONTHS ENDED MARCH 31, 2006

July 24, 2006

Board of Trustees
Green Oak Charter Township
10001 Silver Lake Road
Brighton, Michigan 48116

Honorable Board of Trustees:

In planning and performing our audit of the financial statements of Green Oak Charter Township for the nine months ended March 31, 2006, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Those matters are as follows:

1. COMMENT

For the nine months ended March 31, 2006, we found instances where expenditures exceeded budget appropriations. There are also special revenue funds without adopted budgets.

RECOMMENDATION

Before an actual expenditure exceeds the appropriated budget, the budget should be amended. Budgets are required for all special revenue funds pursuant to Public Act 493 of 2000.

2. COMMENT

There were instances where the Trust and Agency Fund's activities were not being maintained regularly and delinquent personal taxes were not being distributed accurately and timely.

RECOMMENDATION

The activities of this fund should be reconciled monthly to the general ledger and accurate detail supporting these activities should be maintained. The delinquent personal property taxes must be timely disbursed.

3. COMMENT

Deposits were lacking detail and included register receipts only.

RECOMMENDATION

All receipts should have original detail attached to the deposit slip.

4. COMMENT

The following funds and accounts were not reconciled:

- Current Tax
- Special Assessments
- Delinquent Personal Property Taxes
- Charge backs

RECOMMENDATION

These funds and accounts should be reconciled on a monthly basis to the general ledger activities.

5. COMMENT

We found instances in the Fire Fund where expenditures were not allocated consistently to avoid exceeding budgeted appropriations.

RECOMMENDATION

Amounts need to be allocated appropriately and budgets will need to be amended to permit these expenditures.

6. COMMENT

Invoices were not always available for all expenditures. We found instances where expenditures had copies of the check, but no invoice attached to substantiate the payment.

RECOMMENDATION

An approved original invoice must be attached to the check to substantiate payment and filed appropriately.

7. COMMENT

Not all revenues and charges for services are defined by the current Township Board approved fee schedule.

RECOMMENDATION

The Township should evaluate its fee structure and be sure all charges for services are outlined.

8. COMMENT

Deposits were not being made timely. We noted instances in which some deposits took nearly a month to be made.

RECOMMENDATION

Deposits need to be made timelier. This is poor safeguarding of assets and leaves the Township open for having its assets misappropriated.

9. COMMENT

There was an instance in which private use of public funds when items were purchased for a memorial for a Township employee.

RECOMMENDATION

Township funds may not be used in this fashion. All contributions to any memorials would have to be done by its employees and their personal funds.

10. COMMENT

A purchase was made with the Township credit card and was paid without an invoice detailing what the charge was for.

RECOMMENDATION

All purchases with the Township credit card should be substantiated with an original invoice and attached to the monthly statement.

11. COMMENT

A resident was reimbursed for damages resulting from a sewer system backup. No detail on how the reimbursement amount was determined. In addition, the Township paid a water restoration vendor and carpet cleaner directly to repair the damages.

RECOMMENDATION

The Township needs to obtain invoices for the amounts to be reimbursed with the check copy to avoid double payment of repairs needed.

This letter does not affect our report dated July 24, 2006, on the financial statements of Green Oak Charter Township.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and recommendations with various Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees, and management of Green Oak Charter Township and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants